

ARY • LEADING INDEX • DEFLATED
• NEW VEHICLE REGISTRATIONS
Y EARNINGS • BUILDING PERMITS
ECONOMIC OUTLOOK • MOVING
• ELECTRICAL POWER SALES •
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W BUSINESS INCORPORATIONS •
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NT • FINAL PAYMENTS • EXPORTS
AIL SALES • INITIAL CLAIMS •



FOREWORD

This publication is designed to depict the movement of Virginia's key economic indicators in graphic and tabular form with accompanying narrative analysis.

We welcome any comments, suggestions, or questions concerning Virginia Economic Indicators. Please address your comments to: Dolores A. Esser, Director, Economic Information Services Division, Virginia Employment Commission, P. O. Box 1358, Richmond, Virginia 23211. For additional information or explanation of the contents of this document, you may contact the Economic/Operations Research section at (804) 786-5669.

Our Telephone Device for the Deaf (TDD) number is (804) 371-8050.

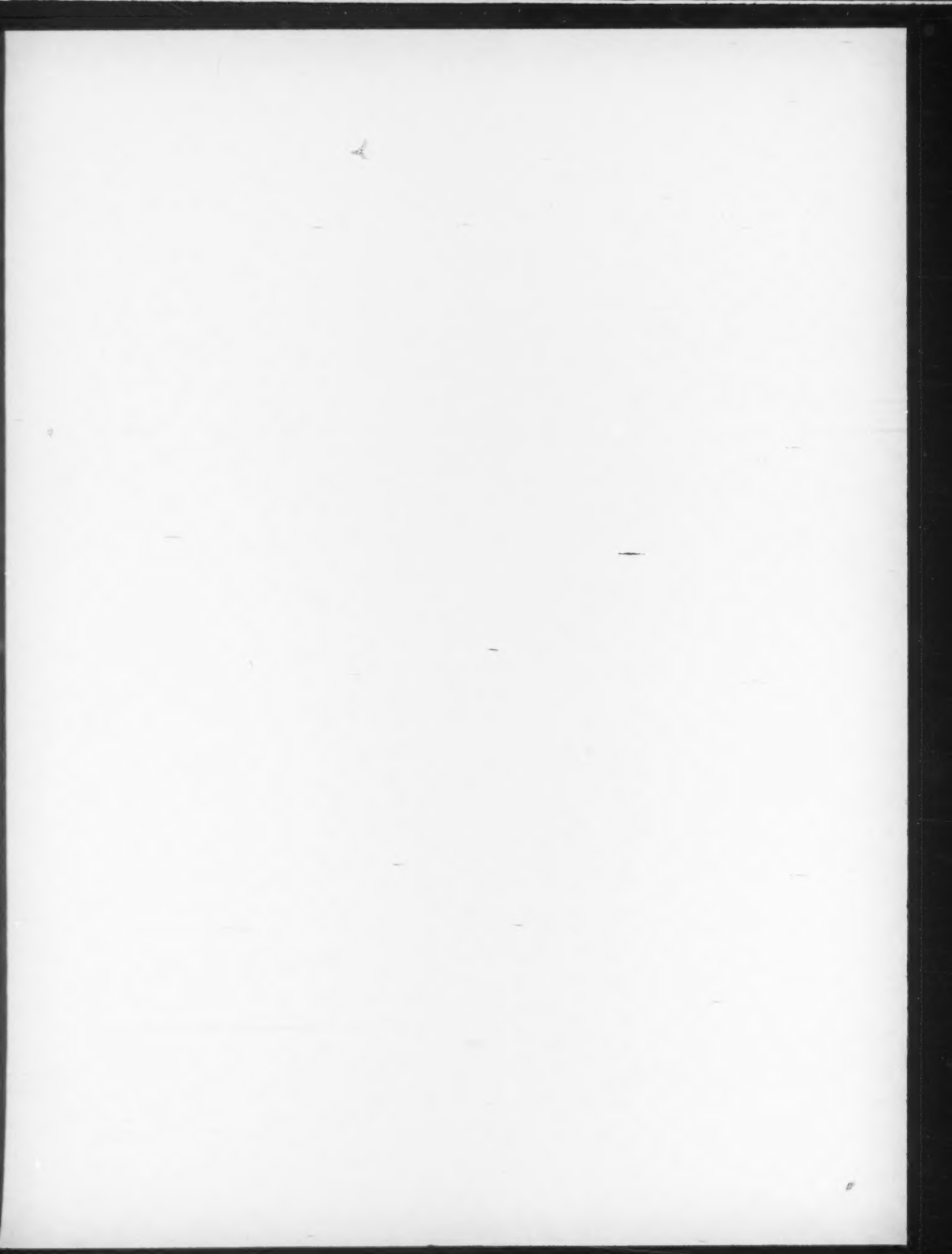


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ECONOMIC OUTLOOK - U.S.

Vol. 23, No. 3

Third Quarter Data

FORECAST UPDATE - 1991 WRAP-UP AND 1992, 1993, AND 1994 HIGHLIGHTS

Calendar Year 1991 has been a year of surprising events with economic consequences both at home and abroad:

- A brief shooting war in the Persian Gulf that ended with a decisive allied military victory and clearly proved the superiority of high-tech U.S. weaponry.
- Instead of the widely predicted rise in oil prices, the Persian Gulf war caused oil prices to plummet on world markets.
- The victorious end to the Gulf war unleashed a wave of patriotism in the U.S. not seen since World War II, but failed to bring a speedy end to the recession that began in 1990.
- A collapse of the Communist system in Russia followed by Soviet political and economic disintegration.

The recession, though still less severe than the 1975 and 1981-82 downturns, was hanging around longer than forecasters had predicted.

- The recession has been spotty, affecting some groups, industries, and communities much more than others.
- This downturn has affected white-collar workers much more than any post-war recession because of the rapid growth of white-collar jobs in the service-producing industries in the 1980s. White-collar workers, unaccustomed to joblessness, have had great difficulty coping with unemployment problems.

- Manufacturing, because of tight computer-managed inventory controls, a good export market, and efficiencies gained after the 1981-82 recession, has come through this downturn in better shape than usual.

- The recession has very much been a two-coasts' recession with the Northeast being hardest hit and the middle of the country doing better than in the prosperous 1980s.

The recovery began in the second half of 1991 with 2.2 percent Gross National Product (GNP) growth in the third quarter, but promises to be anemic by post-war standards. Weak Christmas sales could reduce Fourth Quarter 1991 GNP growth to less than 2.0 percent. As yet, no strong driving force has emerged to bolster consumer confidence and propel the economy rapidly out of the recession. GNP growth of not much more than 3.0 percent is expected throughout the forecast period.

1992 will see the economy struggle to climb out of recession.

- GNP growth will average about 2.0 percent--only 40 percent the rate of increase normal in the first full year of recovery.
- Both inflation (2.6 percent) and interest rates (under 7.0 percent-prime) will be the lowest in years, but will have only a mild stimulative effect as the economy is still overcoming the excesses of the 1980s.
- Unemployment remains stuck at 7.0 percent nationally.

1993 will still see more slow growth.

- GNP growth will be 3.2 percent; inflation will be moderate (3.5 percent); and unemployment will be 6.6 percent as a few new jobs are created.

1994 will see more of the same with 3.0 percent GNP growth, 4.0 percent inflation, and joblessness down to 6.2 percent.

Sluggish money growth and signs of a non-inflationary recovery will cause the Federal Reserve to keep monetary policy accommodative at least well into 1992. Banks' unwillingness to make loans because of recent losses is to some extent blunting the accommodative monetary policy.

Federal fiscal policy with its primary goals of defense cuts and deficit reduction will have an overall negative impact on the economy. Talk about a tax cut for the middle class will increase as the 1992 election nears. Budget problems will reduce state and local spending.

The value of the dollar will be only slightly higher in 1992 and should only marginally affect U.S. exports. Two of our biggest trading partners, Canada and Mexico, should step up demand for U.S. goods in 1992.

Oil prices throughout the forecast period should be in the \$20-\$23 per barrel range.

Demand for both autos and housing will gradually improve, but still be far short of boom levels.

Alternate scenarios are:

- The economy experiencing negative growth again in one or both quarters of the first half of 1992 (probability 30-35 percent).
- The very low current interest rates could trigger a normal recovery (probability 10-15 percent).

William F. Mezger
Economist

HIGHLIGHTS VIRGINIA ECONOMIC INDICATORS Third Quarter 1991

- Virginia's economy, like the national economy, spurred by much steadier work schedules in manufacturing, appeared to start to recover from recession in Third Quarter 1991. That recovery, so far, has been so anemic that there seems to be much confusion and real concern about whether or not recovery is really taking place.
- Because of the pick-up in manufacturing work schedules, several records and near records were set in the hours and earnings indicators:
 - *Average hourly earnings tied the April 1991 record of \$10.45 in July.*
 - *Weekly production worker earnings rose \$6.13 in July to a record \$429.29, then were up \$.44 to another new record of \$429.73 in August.*
 - *The length of the workweek at 41.1 hours in August was the longest since October 1989.*
 - *Average manhours worked at 12,793,400 in August were at the highest level since September 1990.*
- The Consumer Price Index for the United States for All Urban Consumers (CPI-U) averaged 136.7 (1982-84=100) in Third Quarter 1991. This was 0.8 percent higher than the 135.6 average of Second Quarter 1991. The Third Quarter 1991 average was 3.9 percent higher than the Third Quarter 1990 average. This quarter's annual gain was slower than the 5.5 percent third-quarter to third-quarter rise recorded between 1989 and 1990. The recession and falling fuel prices in the aftermath of the Persian Gulf war have had a moderating effect on inflation in 1991. Third and Fourth Quarters 1990 saw a spike in inflation brought on by sharply higher fuel prices caused by the Persian Gulf crisis.
- According to preliminary data from the Bureau of Labor Statistics, U.S. Department of Labor, nationwide productivity in Third Quarter 1991 advanced for the first time since Third Quarter 1990 in business and nonfarm business, while manufacturing productivity increased strongly for a second consecutive quarter. This pattern of faster productivity gains in manufacturing has occurred frequently during the past decade. Business productivity increased at a 2.3 percent annual rate during Third Quarter 1991, as output rose 2.9 percent and hours of all persons engaged in the sector increased 0.6 percent (seasonally adjusted annual rates). This was the first gain in output in a year and the largest increase in business productivity since Third Quarter 1988 (when a 2.5 percent gain occurred). During Second Quarter 1991, productivity had declined 0.5 percent.
- According to the Energy Information Administration of the U.S. Department of Energy, Virginia coal production in the first nine months of 1991 was 33,698,000 short tons mined, down 4.4 percent from the record 35,248,000 short tons mined in the comparable period of 1990. The mild 1990-91 winter, which caused coal stockpiles at electric utilities, and the low price of oil were reducing the demand for coal.

VIRGINIA INDICATORS

Third Quarter Data

The Virginia economy, like the national economy, appeared to turn the corner to recovery at mid-summer, but that recovery, so far, has been so anemic that there seems to be confusion and real concern about whether or not recovery is really taking place. Inflation and interest rates are at the lowest levels in years but continued media talk about recession and the attention attracted by isolated but sizeable white-collar layoffs appear to be sapping consumers' confidence about the future.

The fifteen series used to measure the Virginia economy were positive in July with ten series up, two unchanged, and only three pointing down. Much steadier work schedules at Virginia manufacturing plants after the July Fourth holiday period replaced the inventory adjustment layoffs prevalent in the first half of 1991 and caused genuine improvement in the hours and earnings numbers along with reductions after July in the jobless-related statistics. The August indicators were somewhat mixed although several records were set, mainly in the earnings indicators. August saw five series up, five series unchanged, and five series down. By September, the weakness of the upturn was becoming apparent as several series were just ever so slightly off from the previous month. Five series were positive, two were unchanged, and seven were down.

The steadier factory work schedules that started in July have generally lasted until the end of the year with manufacturing averaging close to an hour of overtime in the third and fourth quarters. Two holiday weeks which produced mass furloughs in 1990 saw considerably fewer layoffs in 1991. Columbus Day week saw almost no closings, and Thanksgiving week

furloughs were about one-half the magnitude of 1990. As 1991 draws to a close in Virginia, manufacturing and transportation seem on the road to recovery. Construction leveled out in the fall, and retailing may be hitting bottom about now. Finance, due to mergers, and government, because of budget problems, may experience more fallout in 1992. A bright spot--the very large services sector--continues to be the strongest industry and never stopped growing in the recession.

Around the state, the Richmond and Hampton Roads economies still appear sluggish. Some leveling out seems to be occurring in Northern Virginia. With resumed operations of its textile plants, key Southside areas are experiencing the lowest jobless figures in over a year. Bristol is now showing the most positive growth of any area. Roanoke has seen only minimal impact from this recession.

ANEMIC RECOVERY EVIDENT IN THIRD QUARTER

The two employment series marked the second quarter of relatively little movement. Neither series registered any change in any third quarter month on our summary tables on pages 18 and 19. (No change equals less than plus or minus 0.5 percent movement.) These two series seem to have bottomed out after a gradual slide starting in First Quarter 1990. The lack of significant employment expansion is a primary factor retarding recovery.

The four unemployment-related series generally presented a mixed picture in third quarter, except in August, when they tended to be mostly positive. The unemployment rate shot up from 6.0 percent in June to 6.5

percent in July, the highest level since April 1983; then declined in August and September; and finished the quarter at 5.2 percent, the lowest rate recorded so far in 1991. July's spike in unemployment was due to an early reference week picking up a larger-than-usual number of normal July Fourth holiday plant closings. July Fourth closings were actually lighter than usual in 1991, but more of them happened to show up in the July reference week because it fell so early in the month. Actually, Virginia factories have experienced a pretty steady work schedule since the July vacations ended. New claims for benefits declined slightly in July, then picked up in August and September, finishing the quarter at 8,756. New claims were, however, well below the 11,000 to 13,000 range of the first half of 1991. These new claims do tend to reflect a number of permanent layoffs as restructuring is currently going on in several industries. The insured unemployment rate was fairly constant, falling 0.1 percent in both July and August, before increasing to the July level of 1.7 percent in September. Although declining after a 16.6 percent rise in July, final payments for benefits remained high throughout the quarter. Final payments in Third Quarter 1991 for the most part were reflecting the exhaustions of benefits by workers furloughed in First Quarter 1991 when the recession was causing a large number of new layoffs.

The four production worker indicators were all positive in July as plants resumed steadier work schedules; were higher by tiny amounts to record or near-record levels in August; then slipped slightly in September. Average weekly hours worked increased 0.4 hour in July; reached a peak of 41.1 hours in August, the longest since October 1989; then fell off to 40.8 hours in September. Average manhours increased in July; reached 12,793,400 in August, the highest level since September 1990; then were

off slightly to 12,668,700 in September. Average hourly earnings, after being down to \$10.39 in both May and June, rose to the April record level of \$10.45 in July, then dropped \$.02 each month to finish the quarter at \$10.41 in September. Weekly production earnings rose \$6.13 in July to a record \$429.29; were up \$.44 to another new record of \$429.73 in August; then fell to \$427.01 in September.

The five business-related series were largely positive in July, largely negative in August, and barely positive in September. New business incorporations registered an 11.1 percent gain in July to 1,548; were off to 1,418 in August; then recovered much of the loss to 1,532 in September. The volatile dollar valuation of building permits rose 14.6 percent to \$99.7 million in July; fell to \$71.5 million in August, second only to March's eight-year low of \$64.0 million; then gained to \$102.5 million in September. New motor vehicle registrations did a little better in July, rising to 29,784, but then were off in August and September to finish the quarter at 27,216. Vehicle registrations have not broken the 30,000 mark since November 1990. Electric power sales fell from June's all-time record 4,753.7 million kilowatt hours in both July and August, then gained a little of the lost ground in September to 4,473.6 million kilowatt hours. May and June experienced record heat, and September was warmer than usual while July and August required only normal amounts of cooling energy. Taxable retail sales increased slightly in July; rose to \$2,994.9 million in August, the highest level since May 1990, with back-to-school buying; then slid to \$2,654.0 million in September, slightly below July.

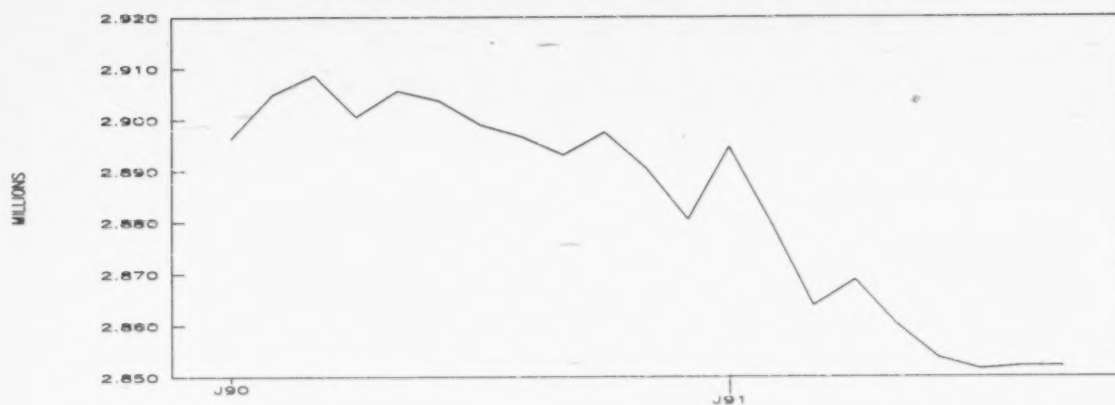
William F. Mezger
Economist

EMPLOYMENT INDICATORS **January 1990 to September 1991**

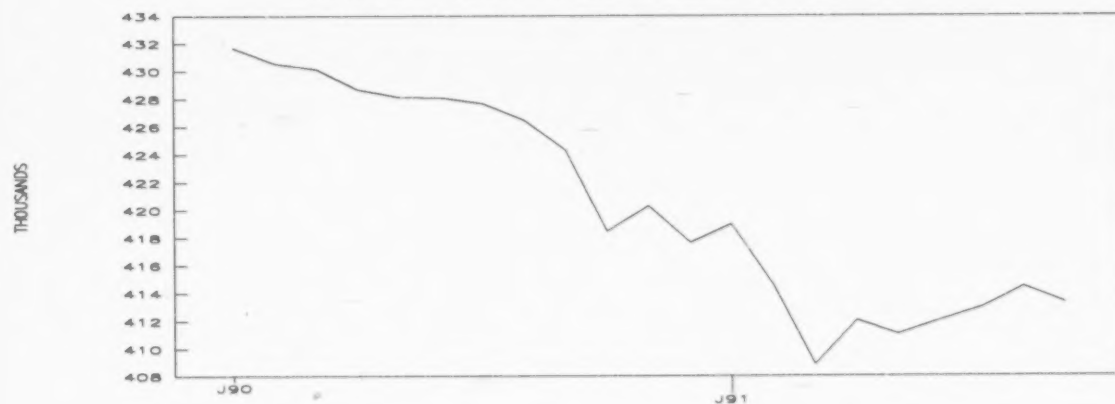
	Nonagricultural Wage and Salary Employment* (Thousands)		Manufacturing Employment* (Thousands)		Total Unemployment Rate* (Percent)	
<u>1990</u>	<u>Unadjusted</u>	<u>Adjusted</u>	<u>Unadjusted</u>	<u>Adjusted</u>	<u>Unadjusted</u>	<u>Adjusted</u>
January	2,846.7	2,896.3	428.6	431.7	4.4	4.0
February	2,858.0	2,905.0	427.9	430.5	4.3	4.0
March	2,881.9	2,908.7	427.8	430.2	4.0	3.9
April	2,889.6	2,900.6	426.5	428.7	3.6	3.7
May	2,917.2	2,905.6	426.9	428.1	4.0	4.2
June	2,939.6	2,903.7	429.7	428.1	4.4	4.4
July	2,905.4	2,899.0	427.5	427.7	4.2	4.6
August	2,898.7	2,896.6	428.0	426.4	4.2	4.4
September	2,911.0	2,893.1	427.0	424.4	4.4	4.4
October	2,908.3	2,897.6	420.7	418.4	4.3	4.5
November	2,911.9	2,890.5	422.2	420.3	4.6	4.6
December	2,903.1	2,880.5	418.3	417.6	4.9	4.8
<u>1991</u>						
January	2,844.9	2,894.6	416.0	419.0	5.9	5.3
February	2,833.8	2,879.8	412.0	414.5	6.5	6.0
March	2,837.9	2,863.8	406.6	408.8	6.2	6.1
April	2,857.8	2,868.8	409.9	412.0	5.4	5.5
May	2,871.5	2,860.3	409.9	411.0	5.5	5.8
June	2,889.0	2,853.7	413.6	412.0	6.0	6.0
July	2,857.7	2,851.5	412.8	412.9	6.0	6.5
August	2,854.0	2,852.1	415.9	414.4	5.3	5.6
September	2,869.6	2,852.1	415.8	413.3	5.2	5.2

* These series have been adjusted to First Quarter 1990 benchmarks.

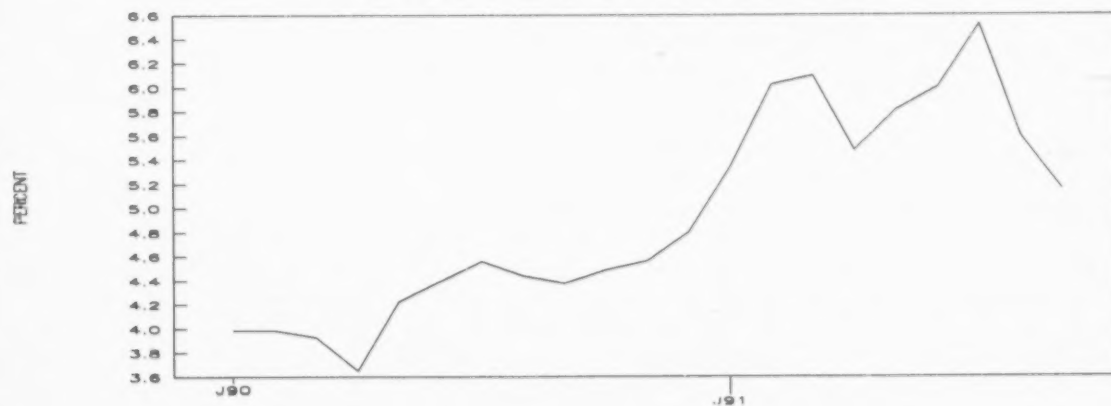
NONAG W & S EMPLOYMENT



MANUFACTURING EMPLOYMENT



TOTAL UNEMPLOYMENT RATE

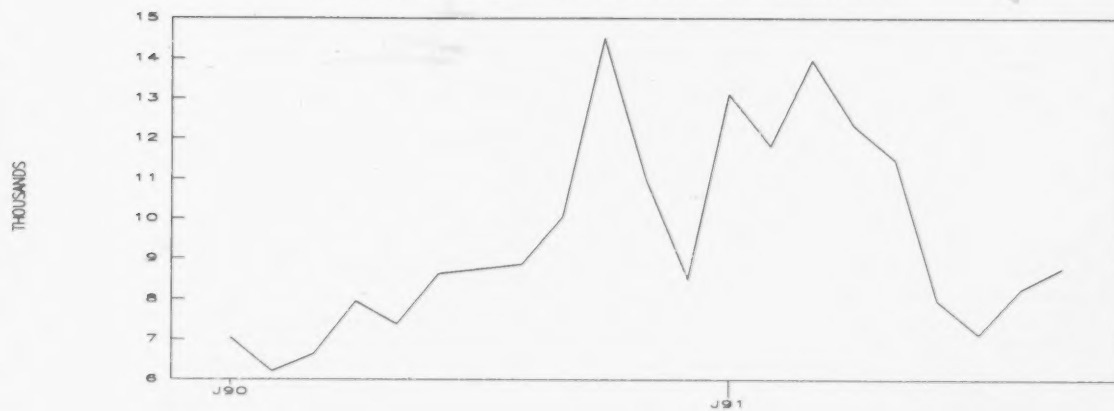


UNEMPLOYMENT INSURANCE INDICATORS

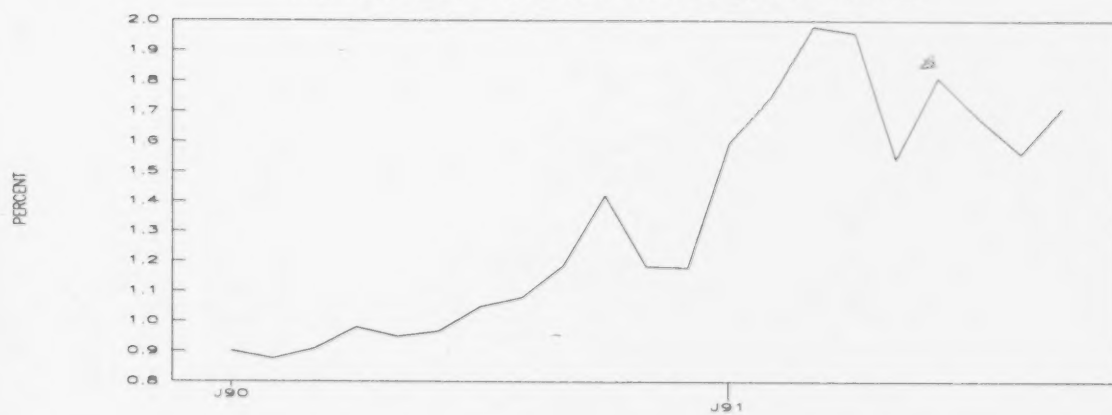
January 1990 to September 1991

	Average Weekly Initial Claims		Average Weekly Insured Unemployment (Percent)		Unemployment Insurance Final Payments	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
<u>1990</u>						
January	11,446	7,050	1.3	0.9	1,789	1,789
February	6,330	6,206	1.2	0.9	1,499	1,519
March	5,887	6,647	1.1	0.9	1,798	1,474
April	6,345	7,947	1.0	1.0	1,965	1,539
May	5,021	7,385	0.8	0.9	2,027	1,736
June	8,007	8,618	0.8	1.0	1,848	1,709
July	8,985	8,724	1.0	1.0	2,045	1,906
August	5,787	8,848	0.9	1.1	1,907	1,996
September	6,118	10,038	0.9	1.2	1,585	1,918
October	10,138	14,498	1.0	1.4	1,793	2,213
November	11,029	10,982	1.0	1.2	1,727	2,244
December	17,611	8,478	1.4	1.2	1,772	2,137
<u>1991</u>						
January	21,322	13,109	2.3	1.6	2,746	2,760
February	11,970	11,799	2.4	1.8	2,989	3,019
March	12,353	13,959	2.4	2.0	3,993	3,264
April	9,782	12,303	2.0	2.0	4,629	3,657
May	7,777	11,463	1.3	1.5	4,939	4,228
June	7,413	7,964	1.5	1.8	4,303	3,971
July	7,358	7,132	1.6	1.7	4,970	4,632
August	5,367	8,236	1.3	1.6	4,353	4,540
September	5,311	8,756	1.3	1.7	3,520	4,272

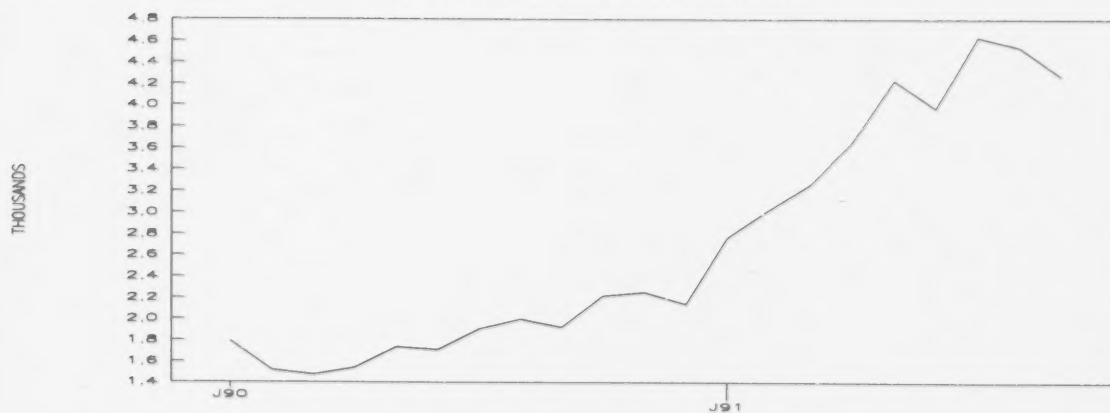
AVG. WEEKLY INITIAL CLAIMS



INSURED UNEMPLOYMENT RATE



U.I. FINAL PAYMENTS

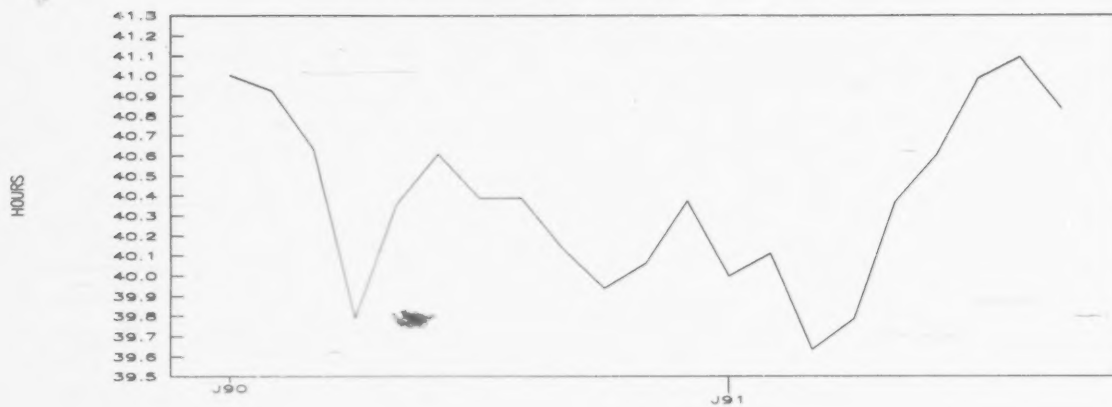


MANUFACTURING PRODUCTION WORKER INDICATORS **January 1990 to September 1991**

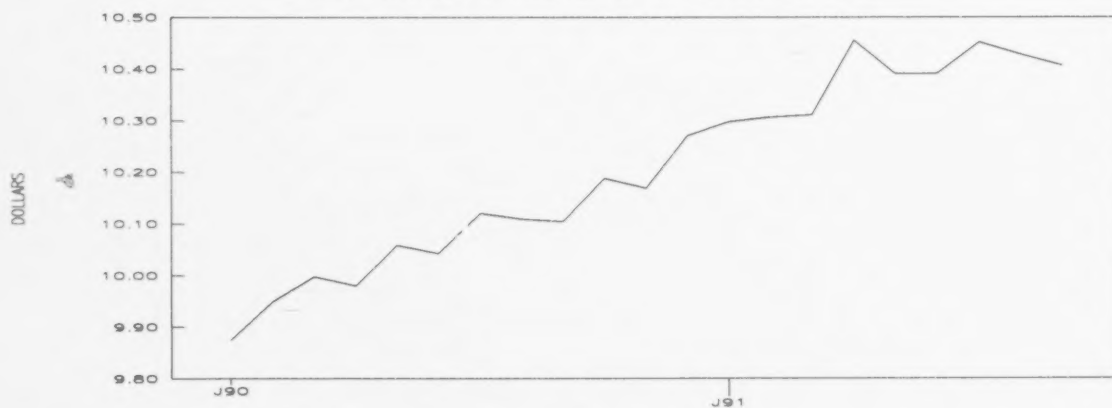
<u>1990</u>	Average Weekly Hours*		Average Hourly Earnings* (Dollars)		Deflated Average Hourly Earnings* (1982-84 Dollars)	
	<u>Unadjusted</u>	<u>Adjusted</u>	<u>Unadjusted</u>	<u>Adjusted</u>	<u>Unadjusted</u>	<u>Adjusted</u>
January	40.7	41.0	9.86	9.87	7.83	7.83
February	40.2	40.9	9.90	9.95	7.83	7.85
March	40.4	40.6	9.97	10.00	7.84	7.83
April	39.6	39.8	9.93	9.98	7.80	7.85
May	40.2	40.4	10.02	10.06	7.81	7.86
June	40.8	40.6	10.06	10.04	7.82	7.82
July	40.1	40.4	10.12	10.12	7.86	7.86
August	40.2	40.4	10.11	10.11	7.78	7.78
September	40.6	40.1	10.14	10.10	7.73	7.72
October	40.1	39.9	10.20	10.19	7.73	7.74
November	40.7	40.1	10.24	10.17	7.75	7.70
December	40.9	40.4	10.31	10.27	7.80	7.75
<u>1991</u>						
January	39.7	40.0	10.28	10.30	7.74	7.74
February	39.4	40.1	10.25	10.31	7.72	7.74
March	39.4	39.6	10.28	10.31	7.73	7.73
April	39.6	39.8	10.40	10.45	7.80	7.85
May	40.2	40.4	10.35	10.39	7.74	7.79
June	40.8	40.6	10.41	10.39	7.76	7.76
July	40.7	41.0	10.45	10.45	7.78	7.78
August	40.9	41.1	10.43	10.43	7.75	7.75
September	41.3	40.8	10.44	10.41	7.72	7.71

* These series have been adjusted to First Quarter 1990 benchmarks.

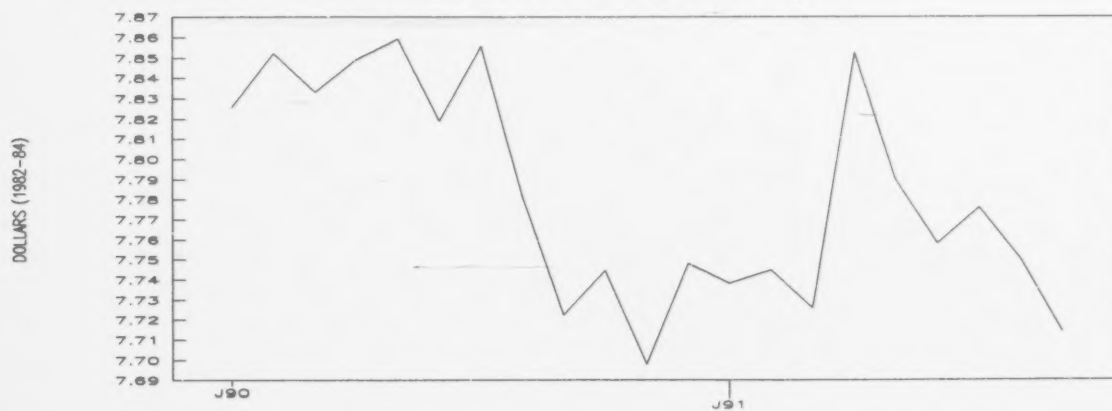
AVERAGE WEEKLY HOURS



AVERAGE HOURLY EARNINGS



AVG. HOURLY EARNINGS/CPI

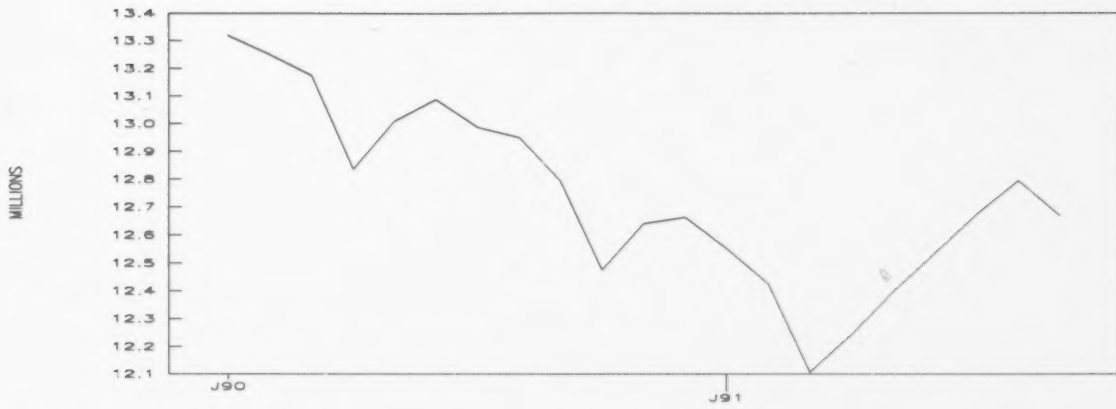


PRODUCTION WORKER INDICATORS (CONTINUED)
January 1990 to September 1991

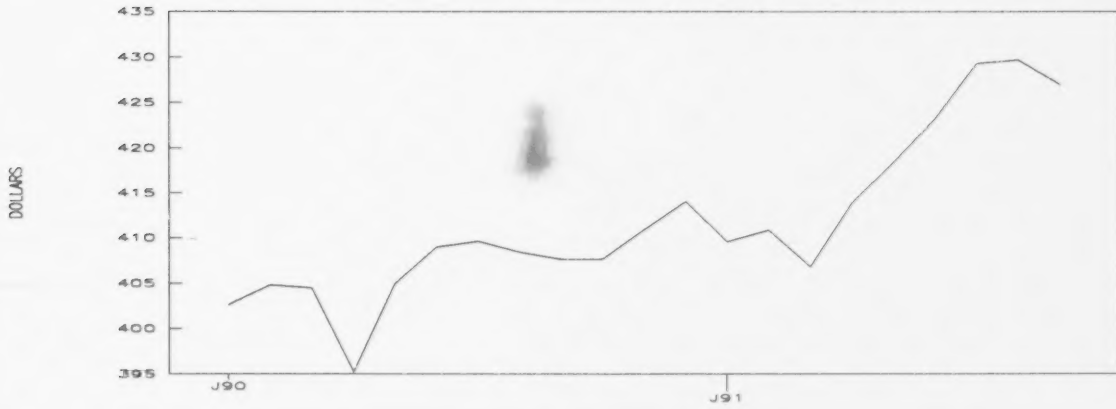
<u>1990</u>	Average Manhours* (Thousands)		Average Weekly Earnings* (Dollars)		Deflated Average Weekly Earnings* (1982-84 Dollars)	
	<u>Unadjusted</u>	<u>Adjusted</u>	<u>Unadjusted</u>	<u>Adjusted</u>	<u>Unadjusted</u>	<u>Adjusted</u>
January	13,154.2	13,320.2	401.30	402.63	318.75	319.71
February	12,960.5	13,251.5	397.98	404.83	314.86	319.28
March	13,020.9	13,176.6	402.79	404.53	316.91	317.82
April	12,715.6	12,835.1	393.23	395.25	308.90	309.99
May	12,920.3	13,009.3	402.80	404.95	313.95	316.17
June	13,190.6	13,088.0	410.45	408.99	318.92	318.07
July	12,872.1	12,988.3	405.81	409.58	315.31	319.13
August	12,924.3	12,949.3	405.42	408.40	312.10	314.41
September	13,020.4	12,794.6	411.68	407.65	314.02	311.72
October	12,635.5	12,475.1	409.02	407.61	310.10	309.86
November	12,889.7	12,639.4	416.77	410.91	315.26	310.71
December	12,830.3	12,662.0	421.68	414.04	318.97	311.90
<u>1991</u>						
January	12,396.7	12,552.7	408.12	409.57	307.32	308.28
February	12,149.8	12,424.0	403.85	410.80	304.10	308.37
March	11,962.8	12,107.6	405.03	406.81	304.53	305.49
April	12,130.1	12,243.6	411.84	413.91	308.96	310.12
May	12,310.2	12,396.9	416.07	418.39	310.96	313.25
June	12,634.6	12,534.2	424.73	423.16	316.73	315.82
July	12,562.6	12,672.6	425.31	429.29	316.69	320.60
August	12,766.5	12,793.4	426.59	429.73	316.93	319.25
September	12,888.9	12,668.7	431.17	427.01	318.91	316.59

* These series have been adjusted to First Quarter 1990 benchmarks.

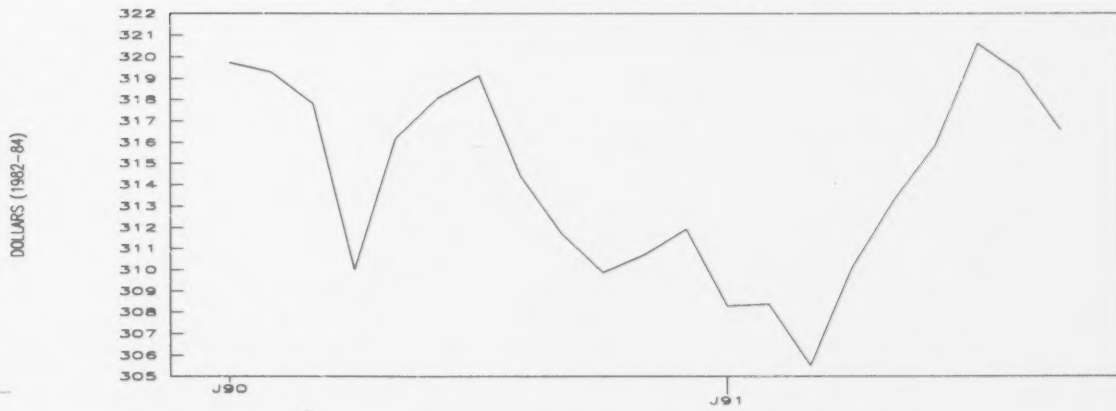
AVERAGE MANHOURS



AVERAGE WEEKLY EARNINGS



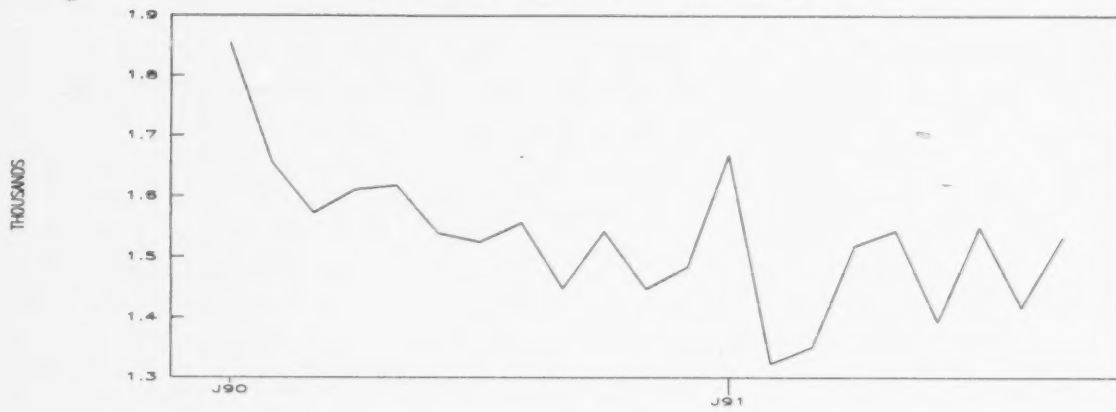
AVG. WEEKLY EARNINGS/CPI



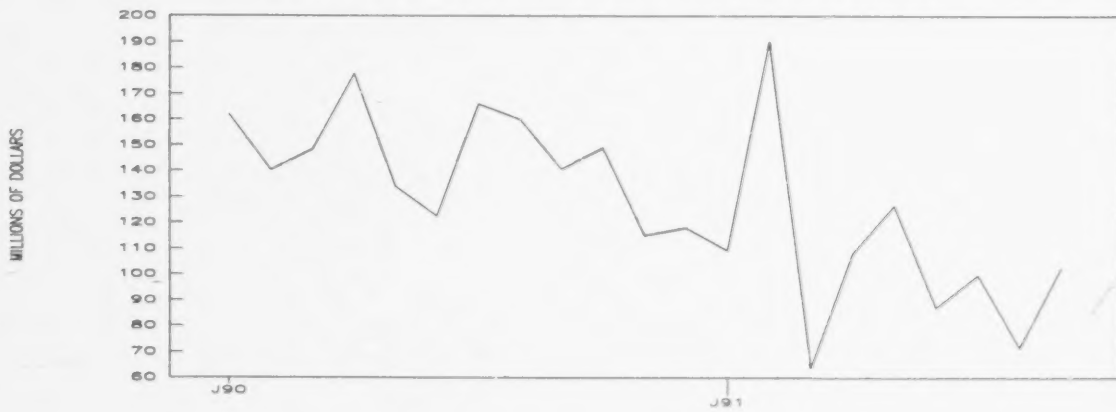
BUSINESS INDICATORS
January 1990 to September 1991

	New Business Incorporations		Valuation of Building Permits (\$ Millions)		New Vehicle Registrations	
<u>1990</u>	<u>Unadjusted</u>	<u>Adjusted</u>	<u>Unadjusted</u>	<u>Adjusted</u>	<u>Unadjusted</u>	<u>Adjusted</u>
January	1,732	1,854	139.7	162.0	32,551	32,690
February	1,684	1,656	107.2	140.4	29,031	33,153
March	1,827	1,572	144.0	148.1	34,317	33,224
April	1,618	1,611	163.0	177.7	36,359	34,063
May	1,751	1,618	136.2	133.9	36,933	33,210
June	1,578	1,539	162.3	122.6	34,670	30,688
July	1,426	1,524	197.8	166.1	34,817	31,203
August	1,618	1,556	186.7	160.1	33,428	32,464
September	1,319	1,448	147.8	140.8	29,640	27,924
October	1,512	1,542	149.7	148.8	34,159	32,041
November	1,273	1,448	100.3	115.2	26,012	32,392
December	1,524	1,484	100.9	117.9	18,695	26,457
<u>1991</u>						
January	1,557	1,667	94.0	109.4	24,994	25,149
February	1,348	1,324	146.2	190.1	21,477	24,476
March	1,573	1,351	62.0	64.0	28,031	27,118
April	1,517	1,518	98.9	108.3	31,348	29,373
May	1,677	1,543	128.0	126.6	33,207	29,805
June	1,430	1,393	114.5	87.0	30,648	27,177
July	1,440	1,548	119.9	99.7	33,256	29,784
August	1,481	1,418	84.1	71.5	30,337	29,420
September	1,392	1,532	108.6	102.5	28,793	27,216

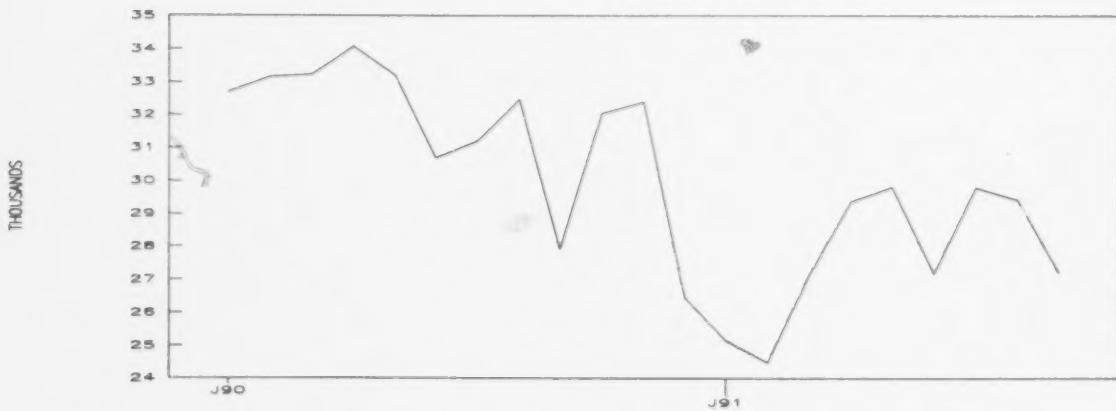
NEW BUSINESS INCORPORATIONS



VALUATION OF BUILDING PERMITS



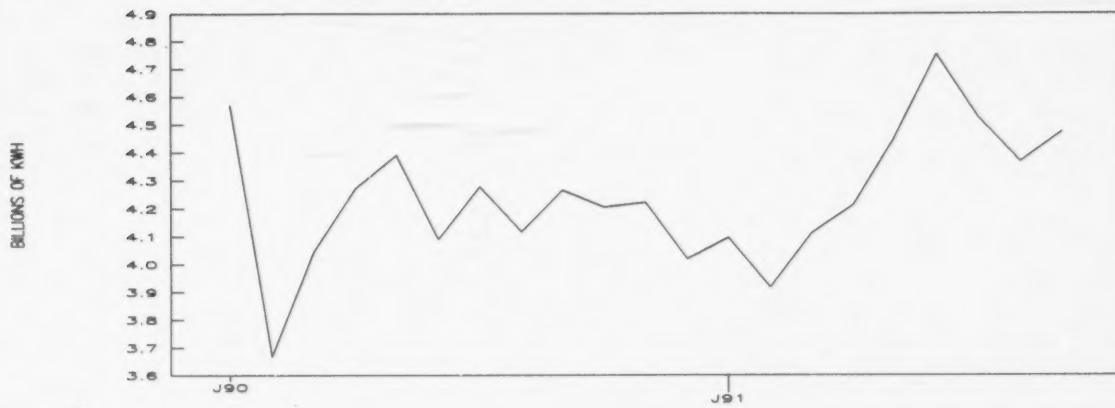
NEW VEHICLE REGISTRATIONS



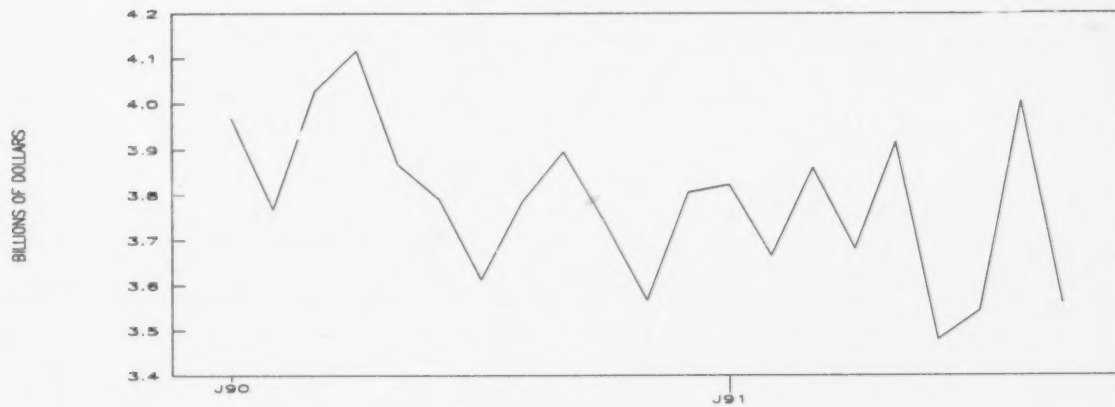
BUSINESS INDICATORS (CONTINUED)
January 1990 to September 1991

	Electrical Power Sales (Millions of KWH)		Taxable Retail Sales (Millions of Dollars)		Deflated Taxable Retail Sales (Millions of 1982-84 Dollars)	
<u>1990</u>	<u>Unadjusted</u>	<u>Adjusted</u>	<u>Unadjusted</u>	<u>Adjusted</u>	<u>Unadjusted</u>	<u>Adjusted</u>
January	5,261.2	4,572.5	3,087.1	3,968.1	2,452.0	3,161.6
February	4,085.0	3,668.0	3,825.9	3,768.1	3,026.8	2,998.5
March	4,114.0	4,045.4	3,633.6	4,027.4	2,858.9	3,178.9
April	3,856.4	4,271.3	4,054.1	4,116.4	3,184.7	3,244.2
May	3,657.5	4,389.9	3,887.3	3,867.7	3,029.9	3,036.5
June	3,890.4	4,090.1	3,959.7	3,790.2	3,076.7	2,966.6
July	4,754.4	4,277.3	3,822.7	3,612.5	2,970.2	2,836.6
August	4,614.0	4,116.4	3,702.6	3,785.5	2,850.3	2,932.0
September	4,478.6	4,264.7	4,031.6	3,894.0	3,075.2	2,992.4
October	3,667.1	4,204.1	3,661.3	3,736.7	2,775.8	2,852.7
November	3,667.2	4,220.8	3,445.8	3,567.5	2,606.5	2,704.9
December	4,046.2	4,017.7	4,779.3	3,804.3	3,615.2	2,730.6
<u>1991</u>						
January	4,711.5	4,096.3	2,978.1	3,821.9	2,242.5	2,888.8
February	4,361.1	3,917.3	3,722.4	3,665.6	2,803.0	2,776.2
March	4,175.6	4,111.1	3,469.6	3,858.9	2,608.7	2,912.4
April	3,807.4	4,211.1	3,634.8	3,680.6	2,726.8	2,771.2
May	3,712.5	4,453.2	3,910.7	3,914.4	2,922.8	2,948.6
June	4,516.5	4,753.7	3,633.9	3,480.2	2,709.8	2,615.2
July	5,033.3	4,526.3	3,766.2	3,543.5	2,804.3	2,667.6
August	4,890.0	4,367.2	3,914.0	4,005.6	2,907.9	2,994.9
September	4,702.9	4,473.6	3,690.0	3,561.1	2,729.3	2,654.0

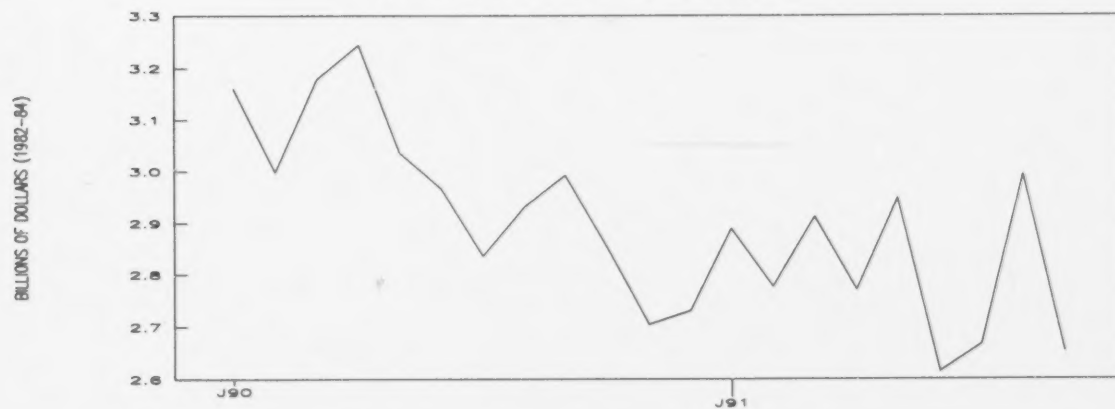
ELECTRICAL POWER SALES



TAXABLE RETAIL SALES



TAX. RETAIL SALES/CPI



DATA SUMMARY

SEPTEMBER 1991

(SEASONALLY ADJUSTED DATA)

EMPLOYMENT

	Sep. 1991	Aug. 1991	Sep. 1990	Aug. '91- Sep. '91	Sep. '90- Sep. '91
*Nonag Wage & Salary Emp (000)	2,852.1	2,852.1	2,893.1	0.0 (0)	- 1.4 (-)
*Manufacturing Employment (000)	413.3	414.4	424.4	- 0.3 (0)	- 2.6 (-)
*Total Unemployment Rate	5.2	5.6	4.4	(+)	(-)

UNEMPLOYMENT INSURANCE

Average Weekly Initial Claims	8,756	8,236	10,038	6.3 (-)	- 12.8 (+)
Insured Unemployment Rate (%)	1.7	1.6	1.2	(-)	(-)
Final Payments	4,272	4,540	1,918	- 5.9 (+)	122.7 (-)

MANUFACTURING PRODUCTION WORKERS

*Average Weekly Hours	40.8	41.1	40.1	- 0.7 (-)	1.7 (+)
*Average Manhours (000)	12,669	12,793	12,795	- 1.0 (-)	- 1.0 (-)
*Average Hourly Earnings (\$)	10.41	10.43	10.10	- 0.2 (0)	3.1 (+)
*Average Weekly Earnings (\$)	427.01	429.73	407.65	- 0.6 (-)	4.7 (+)

BUSINESS

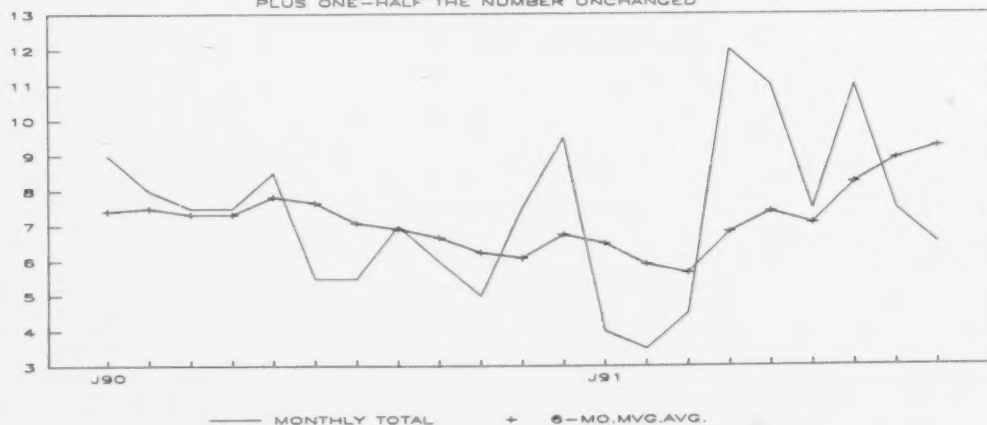
New Business Incorporations	1,532	1,418	1,448	8.0 (+)	5.8 (+)
Valuation of Bldg Permits (\$M)	102.5	71.5	140.8	43.4 (+)	- 27.2 (-)
New Vehicle Registrations	27,216	29,420	27,924	- 7.5 (-)	- 2.5 (-)
Electrical Pwr Sales (M of KWH)	4,474	4,367	4,265	2.4 (+)	4.9 (+)
Taxable Retail Sales (\$M)	3,561	4,006	3,894	-11.1 (-)	- 8.5 (-)

* Revised to First Quarter 1990 benchmarks.

** (+) Favorable, (-) Not Favorable, (0) Change less than 0.5%.

SUMMARY

NUMBER OF SERIES MOVING FAVORABLY
PLUS ONE-HALF THE NUMBER UNCHANGED



DATA SUMMARY

AUGUST 1991

(SEASONALLY ADJUSTED DATA)

EMPLOYMENT

	Aug. 1991	Jul. 1991	Aug. 1990	Jul. '91- Aug. '91	Aug. '90- Aug. '91
*Nonag Wage & Salary Emp (000)	2,852.1	2,851.5	2,896.6	0.0 (0) -	1.5 (-)
*Manufacturing Employment (000)	414.4	412.9	426.4	0.4 (0) -	2.8 (-)
*Total Unemployment Rate	5.6	6.5	4.4	(+)	(-)

UNEMPLOYMENT INSURANCE

Average Weekly Initial Claims	8,236	7,132	8,848	15.5 (-) -	6.9 (+)
Insured Unemployment Rate (%)	1.6	1.7	1.1	(+)	(-)
Final Payments	4,540	4,632	1,996	- 2.0 (+)	127.5 (-)

MANUFACTURING PRODUCTION WORKERS

*Average Weekly Hours	41.1	41.0	40.4	0.2 (0)	1.7 (+)
*Average Manhours (000)	12,793	12,673	12,949	1.0 (+) -	1.2 (-)
*Average Hourly Earnings (\$)	10.43	10.45	10.11	- 0.2 (0)	3.2 (+)
*Average Weekly Earnings (\$)	429.73	429.29	408.40	0.1 (0)	5.2 (+)

BUSINESS

New Business Incorporations	1,418	1,548	1,556	- 8.4 (-) -	8.9 (-)
Valuation of Bldg Permits (\$M)	71.5	99.7	160.1	-28.3 (-) -	55.3 (-)
New Vehicle Registrations	29,420	29,784	32,464	- 1.2 (-) -	9.4 (-)
Electrical Pwr Sales (M of KWH)	4,367	4,526	4,116	- 3.5 (-)	6.1 (+)
Taxable Retail Sales (\$M)	4,006	3,544	3,786	13.0 (+)	5.8 (+)

DATA SUMMARY

JULY 1991

(SEASONALLY ADJUSTED DATA)

EMPLOYMENT

	Jul. 1991	June 1991	Jul. 1990	Jun. '91 Jul. '91	Jul. '90- Jul. '91
*Nonag Wage & Salary Emp (000)	2,851.5	2,853.7	2,899.0	- 0.1 (0) -	1.6 (-)
*Manufacturing Employment (000)	412.9	412.0	427.7	0.2 (0) -	3.5 (-)
*Total Unemployment Rate	6.5	6.0	4.6	(-)	(-)

UNEMPLOYMENT INSURANCE

Average Weekly Initial Claims	7,132	7,964	8,724	-10.4 (+) -	18.2 (+)
Insured Unemployment Rate (%)	1.7	1.8	1.0	(+)	(-)
Final Payments	4,632	3,971	1,906	16.6 (-)	143.0 (-)

MANUFACTURING PRODUCTION WORKERS

*Average Weekly Hours	41.0	40.6	40.4	1.0 (+)	1.5 (+)
*Average Manhours (000)	12,673	12,534	12,988	1.1 (+) -	2.4 (-)
*Average Hourly Earnings (\$)	10.45	10.39	10.12	0.6 (+)	3.3 (+)
*Average Weekly Earnings (\$)	429.29	423.16	409.58	1.4 (+)	4.8 (+)

BUSINESS

New Business Incorporations	1,548	1,393	1,524	11.1 (+)	1.6 (+)
Valuation of Bldg Permits (\$M)	99.7	87.0	166.1	14.6 (+) -	40.0 (-)
New Vehicle Registrations	29,784	27,177	31,203	9.6 (+) -	4.5 (-)
Electrical Pwr Sales (M of KWH)	4,526	4,754	4,277	- 4.8 (-)	5.8 (+)
Taxable Retail Sales (\$M)	3,544	3,480	3,613	1.8 (+) -	1.9 (-)

* Revised to First Quarter 1990 benchmarks.

** (+) Favorable, (-) Not Favorable, (0) Change less than 0.5%.

THE VIRGINIA LEADING AND COINCIDENT INDEXES

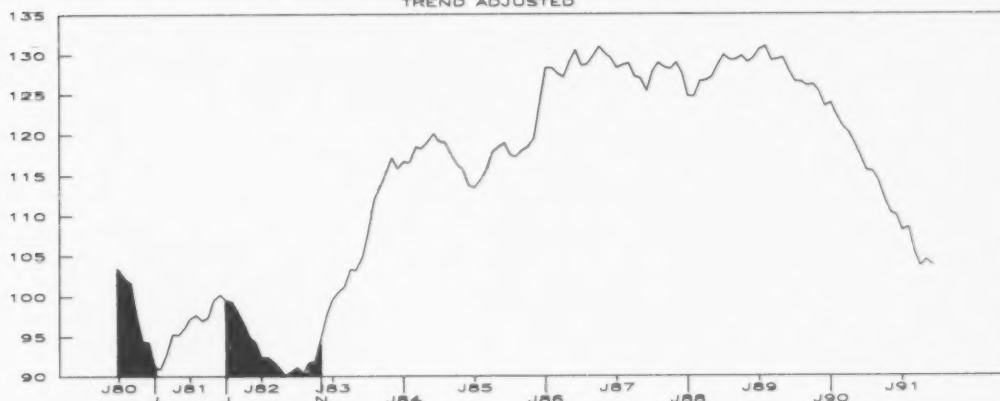
	Leading Index (82-84=100)	Monthly Percent Change	Quarterly Percent Change	Coincident Index (82-84=100)	Monthly Percent Change	Quarterly Percent Change
<u>1990</u>						
January	123.92	+0.3		124.58	+0.8	
February	122.18	-1.4	-2.1	124.87	+0.2	+0.5
March	121.01	-1.0		124.85	-0.0	
April	120.26	-0.6		125.49	+0.5	
May	118.96	-1.1	-2.9	125.09	-0.3	+0.0
June	117.22	-1.5		123.79	-1.0	
July	115.60	-1.4		121.89	-1.5	
August	115.50	-0.1	-3.1	121.37	-0.4	-2.6
September	114.34	-1.0		121.21	-0.1	
October	112.05	-2.0		121.24	+0.0	
November	110.40	-1.5	-3.8	120.68	-0.5	-0.8
December	110.01	-0.4		119.67	-0.8	
<u>1991</u>						
January	108.17	-1.7		118.41	-1.0	
February	108.48	+0.3	-3.1	116.13	-1.9	-3.5
March	105.44	-2.8		114.37	-1.5	
April	103.69	-1.7		114.40	+0.0	
May	104.44	+0.7	-3.2	114.63	+0.2	-1.5
June	103.79	-0.6		114.62	-0.0	
July	104.28	+0.5		113.53	-1.0	
August	102.20	-2.0	-0.2	113.79	+0.2	-0.5
September	104.71	+2.5		114.62	+0.7	

The Virginia Leading Index is adjusted to a 1982-84 base and includes Average Weekly Hours for Production Workers; New Businesses; Valuation of Building Permits, deflated to 1982-84 dollars; and Average Weekly Initial Claims. The Virginia Coincident Index includes Nonagricultural Wage and Salary Employment; Total Unemployment Rate; Taxable Retail Sales, deflated to 1982-84 dollars; and Average Hourly Earnings of Manufacturing Production Workers, deflated to 1982-84 dollars. The Coincident Index also uses a 1982-84 base. All series are adjusted for seasonality and month of cyclical dominance.

The Leading and Coincident Indexes continued to average slightly negative in Third Quarter 1991 because of one decidedly negative third quarter month for each index--August in the case of the Leading Index and July in the case of the Coincident Index. Both indexes, however, appear to have reversed their early 1991 fall.

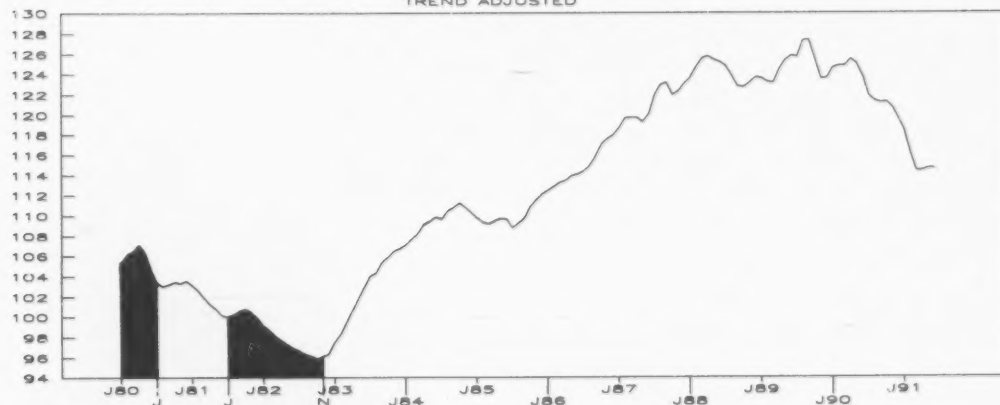
1982-84=100

VIRGINIA INDEX OF LEADING INDICATORS TREND ADJUSTED



1982-84=100

VIRGINIA INDEX OF COINCIDENT INDICATORS TREND ADJUSTED



ANALYSIS OF MINIMUM WAGE AND LOW-WAGE EMPLOYMENT IN VIRGINIA 1988-1990

INTRODUCTION

This report draws on and extends a previous report which analyzed minimum wage and low-wage employment in Virginia from 1984 to 1988. The previous report found no industry at the two-digit Standard Industrial Classification (SIC) code level with employment at or below the 1988 prevailing minimum wage of \$3.35 per hour or \$134 for a 40-hour week. However, it did find industries which employed workers at or below the \$4 per hour (\$160 per week) and \$5 per hour (\$200 per week) levels.

This report reviews and analyzes employment at the current minimum wage level of \$4.25 per hour (\$170 per week) [which went into effect on April 1, 1991], the \$5 per hour level (\$200 per week), and the \$6 per hour level (\$240 per week) for both 1988 and 1990.

The employment and wage data analyzed in this report is Covered Employment and Wages from the ES-202 listing for the Fourth Quarters of 1988 and 1990. Employment is by two-digit SIC code for major industries and industry groups, and the wage data is average weekly wages for the same industries and industry groups.

EMPLOYMENT AND WAGE LEVEL ANALYSIS

The findings outlined below represent the results of a review and analysis of employment levels in industries and industry groups with average weekly wages below certain cut-off levels--the current minimum wage of \$4.25 per hour or \$170 per week, \$5 per hour

or \$200 per week, and \$6 per hour or \$240 per week--for 1988 and 1990 and the changes which occurred between 1988 and 1990. Additional detail is shown in Table 1 on page 25.

Findings

- In 1988 there was no major industry or two-digit industry group which paid below the prevailing minimum wage of \$3.35 per hour or \$134 per week.
- Applying the 1991 Minimum Wage (\$4.25 per hour--\$170 per week) to 1988 employment data yields employment of 160,445 which represented 5.8 percent of total state employment in 1988.
- Employment in industry groups which paid below \$5 per hour or \$200 per week in 1988 was 190,710 which represented 6.9 percent of total state employment.
- Employment in industry groups which paid below \$6 per hour or \$240 per week in 1988 totaled 516,434 which represented 18.7 percent of total state employment.
- Employment at the \$4.25 per hour and \$5 per hour levels was totally concentrated in two industries--Retail Trade and Services--with the Eating and Drinking Places industry group accounting for 94 percent of the total below the \$4.25 per hour level and 79 percent of the total below the \$5 per hour level. The only other industry group below the \$4.25 per hour level was Private Household Services in the Services Industry;

while below the \$5 per hour level, only Apparel and Accessory Stores in the Retail Trade Industry was included. See Table 1 on page 25 for more detail.

In 1988 employment below the \$6 per hour (\$240 per week) level included one industry group in the Agricultural, Forestry, and Fisheries Industry (Agricultural Crop Production) and one in the Manufacturing Industry (Apparel Products) as well as four industry groups in Retail Trade and six industry groups in the Services Industry. See Table 1, page 25.

- In 1990 there was only one industry group at the two-digit SIC level which paid below the current minimum wage--this was Eating and Drinking Places in the Retail Trade Industry. This industry group had employment of 160,797 which represented 5.7 percent of total state employment in 1990.
- At the \$5 per hour level and below in 1990, two additional industry groups were included (besides Eating and Drinking Places)--Apparel and Accessory Stores in Retail Trade and Private Household Services in the Services Industry. Total employment at this level was 206,092 in 1990 which represented 7.3 percent of total state employment. See Table 1, page 25.
- At the \$6 per hour level and below in 1990 were six industry groups--three in Retail Trade (General Merchandise Stores, Apparel and Accessory Stores, and Eating and Drinking Places) and three in Services (Hotels and Lodging Places, Motion Pictures, and Private Household Services). Employment in these six industry

groups totaled 329,465 which represented 11.6 percent of total state employment. See Table 1, page 25.

- From 1988 to 1990, employment below the current minimum wage level (\$4.25 per hour) increased only slightly by roughly 350 workers or 0.2 percent and was totally within one industry group--Eating and Drinking Places in Retail Trade. Minimum wage employment also declined slightly as a percentage of total state employment from 5.8 percent in 1988 to 5.7 percent in 1990. See Table 2, page 26.
- Employment at the \$5 per hour and below level increased by approximately 15,400 or 8.1 percent between 1988 and 1990 and was concentrated in three industry groups--Eating and Drinking Places and Apparel and Accessory Stores in Retail Trade, and Private Household Services in the Services Industry. Employment at this wage level increased moderately as a percentage of total state employment from 6.9 percent in 1988 to 7.3 percent in 1990. See Table 2, page 26.
- Employment at the \$6 per hour and below level declined significantly by almost 187,000 or 36.2 percent from 1988 to 1990, and also declined significantly as a proportion of total state employment from 18.7 percent in 1988 to 11.6 percent in 1990.
- Minimum wage and low-wage employment was highly concentrated in one industry group in both 1988 and 1990--Eating and Drinking Places in Retail Trade--which accounted for 94 percent of minimum wage (\$4.25 per hour and

below) in 1988 and 100 percent in 1990, 79 percent of employment below \$5 per hour in 1988 and 78 percent in 1990, and 29 percent of employment below \$6 per hour in 1988 and 49 percent in 1990.

- Eating and Drinking Places is the lowest wage group among two-digit industries accounting for only 35.6 percent of the All-Industry average wage in 1988 and 35.1 percent in 1990. This is an industry group heavily characterized by part-time and seasonal work, with a large number of young, inexperienced and unskilled workers with a relatively loose attachment to the labor force. Thus, this industry group's relative wage level position is unlikely to undergo any major change in the future.
- The average wages in the Retail Trade Industry and in the Eating and Drinking Places industry group have not grown as rapidly during the 1984 to 1990 and the 1988 to 1990 periods as overall industry wages. Retail Trade grew at a rate only two-thirds the All-Industry average and Eating and Drinking Places at a rate 20 percent less than the All-Industry average. See Table 3, page 26.

report which pay the current minimum wage or below. However, based on the employment levels shown for jobs at \$5 and \$6 per hour, the number of minimum wage jobs is likely quite small and probably does not exceed 6 to 7 percent of total state employment, or roughly 170,000 to 200,000 jobs at the most.

The lowest wage jobs are highly concentrated in two industries--Retail Trade and Services--especially Retail Trade which accounted for 100 percent of minimum wage or below employment in 1990, 95 percent of employment below the \$5 per hour level, and 81 percent of employment below the \$6 per hour level. The bulk of the low-wage jobs in Retail Trade are accounted for by the Eating and Drinking Places group which is characterized by heavy part-time employment, a somewhat seasonal employment pattern, and a young, inexperienced, unskilled work force with a relatively casual attachment to the labor force.

The average wages in Retail Trade and in the Eating and Drinking Places industry group which were already the lowest among major industries and two-digit industry groups, respectively, also failed to keep pace with the wage rate growth in all other industries during the 1980s--growing at rates of one-third to one-fifth less than the All-Industry average wage growth from 1984 to 1990.

SUMMARY AND CONCLUSIONS

No doubt there are additional jobs in Virginia beyond those listed in this

Robert J. Griffis
Chief Economist

Table 1

**EMPLOYMENT IN SELECTED MINIMUM AND LOW-WAGE
CATEGORIES BY MAJOR INDUSTRY AND INDUSTRY GROUP
1988 and 1990**

Industry/Industry Group	1988				1990			
	Average Weekly Wage	Number Below Minimum Wage (\$4.25/Hr.- \$170/Week)	Number Below \$5/Hr.- \$200/Week	Number Below \$6/Hr.- \$240/Week	Average Weekly Wage	Number Below Minimum Wage (\$4.25/Hr.- \$170/Week)	Number Below \$5/Hr.- \$200/Week	Number Below \$6/Hr.- \$240/Week
Agriculture-Forestry-Fisheries	\$291	---	---	4,539	\$311	---	---	---
Agricultural Production-Crops	239	---	---	4,539	260	---	---	---
Manufacturing	\$473	---	---	27,608	\$506	---	---	---
Apparel	234	---	---	27,608	253	---	---	---
Retail Trade	\$235	151,048	181,313	341,659	\$247	160,797	195,548	266,919
General Merchandise	209	---	---	76,509	236	---	---	71,371
Food Stores	229	---	---	83,837	247	---	---	---
Apparel & Accessory Stores	193	---	30,265	30,265	194	---	34,751	34,751
Eating & Drinking Places	152	151,048	151,048	151,048	162	160,797	160,797	160,797
Services	\$425	9,397	9,397	142,628	\$475	---	10,544	62,546
Hotels & Lodging Places	212	---	---	43,566	229	---	---	43,526
Personal Services	237	---	---	31,764	257	---	---	---
Motion Pictures	239	---	---	7,750	239	---	---	8,476
Amusement & Recreation Services	239	---	---	20,195	284	---	---	---
Social Services	232	---	---	29,956	253	---	---	---
Private Household Services	155	9,397	9,397	9,397	181	---	10,544	10,544
Totals	\$426*	160,445	190,710	516,434	\$462*	160,797	206,092	329,465
Percent of State Total Employment	---	5.8	6.9	18.7	---	5.7	7.3	11.6

*State All-Industry Average Weekly Wage

Table 2
EMPLOYMENT CHANGES--SELECTED WAGE LEVELS
1988 and 1990

	<u>1988</u>	<u>1990</u>	<u>Change</u>	<u>% Change</u>
Below Current Minimum Wage \$4.25*	160,445	160,797	352	0.2
Below \$5/Hour - \$200/Week	190,710	206,092	15,382	8.1
Below \$6/Hour - \$240/Week	516,254	329,465	-186,789	-36.2

*In 1988 there were no two-digit industries or industry groups with average weekly wages below the prevailing minimum wage of \$3.35 per hour or \$134 per week.

Table 3
WAGE RATE GROWTH
1984-1990

	<u>1984</u>	<u>1988</u>	<u>1990</u>
All-Industries	343	426	462
Retail Trade	201	235	247
Eating & Drinking Places	127	152	162
Apparel & Accessory Stores	162	193	194
Services	318	425	475
Private Household Service	121	155	181

Growth Rates

	<u>1984-88</u>	<u>1984-90</u>	<u>1988-90</u>
All-Industries	24.2%	34.7%	8.5%
Retail Trade	16.9%	22.9%	5.1%
Eating & Drinking Places	19.7%	27.6%	6.6%
Apparel & Accessory Stores	19.1%	19.8%	0.5%
Services	33.6%	49.4%	11.8%
Private Household Service	28.1%	49.6%	16.8%

HISTORICAL SUMMARY

Performance of Indicators Over the Business Cycle

GENERAL INFORMATION: For those interested in studying the business cycle in Virginia, this publication includes several of the economic time series for which data is readily available on a monthly basis. From time to time, new series will be added and, if necessary, others presently included will be discontinued.

Business Cycle Turning Points

The shaded spaces on the charts represent the 1980 and 1981-82 recessions as designated by the National Bureau of Economic Research (NBER). The beginning of a recession is defined as the month when aggregate economic activity in the U.S. reaches a cyclical high, from which it begins to turn down, and the end as the month when it reaches a cyclical low, from which it begins to turn up. According to NBER, the 1980 recession began in January 1980 and ended in July 1980, and the 1981-82 recession began in July 1981 and ended in November 1982. The NBER has not yet officially designated the current recessionary period.

Seasonal Adjustment

To correlate changes in a time series and changes in the business cycle it is desirable to eliminate, insofar as possible, the effect of irrelevant factors

from the data comprising the series. All series currently published in Indicators have been adjusted to minimize regular seasonal fluctuations in the data in order to show only activity related to the business cycle.

Months for Cyclical Dominance (MCD)

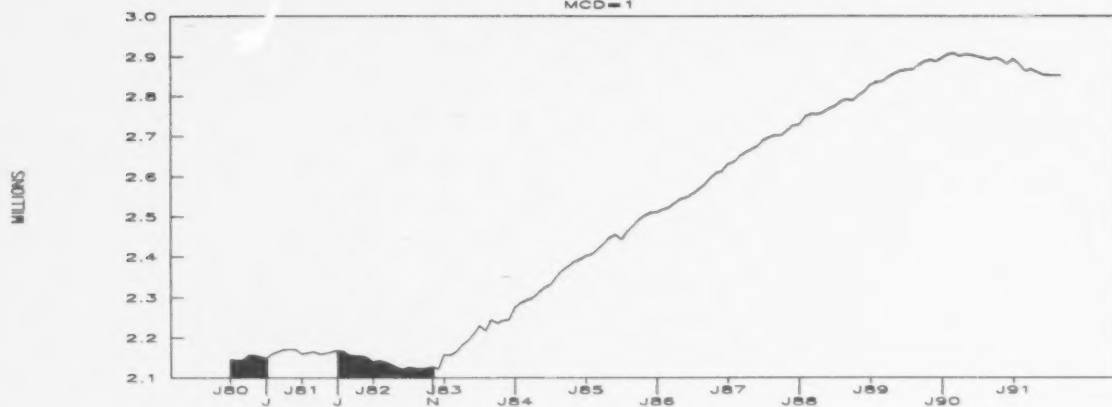
After seasonal adjustment there often remains a significant degree of purely random change, the effect of which can be minimized with a moving average equal in length to the MCD of the series. The MCD is an estimate of the length of the moving average which will reveal the cyclical pattern among the welter of random fluctuations in the data--the greater the MCD the more random and less cyclically significant are monthly changes in the series. Where noted, charts of historical data in this publication represent seasonally adjusted figures which have been averaged according to the MCD of each series.

Data Sources

Nonagricultural Wage and Salary Employment.....	Virginia Employment Commission (VEC)
Manufacturing Employment.....	VEC
Total Unemployment Rate.....	VEC
Average Weekly Initial Claims.....	VEC
Insured Unemployment Rate.....	VEC
Unemployment Insurance Final Payments.....	VEC
Average Manhours.....	VEC
Average Hourly Earnings.....	VEC
Average Hourly Earnings/CPI.....	VEC
Average Workweek.....	VEC
Average Weekly Earnings.....	VEC
Average Weekly Earnings/CPI.....	VEC
New Business Incorporations.....	Virginia State Corporation Commission
Valuation of Building Permits - 18 Cities.....	Local Building Inspectors
New Vehicle Registrations.....	Virginia State Department of Motor Vehicles
Electrical Power Sales.....	Virginia Power, Appalachian Power Co., Delmarva Electric Co., Tennessee Power Company
Taxable Retail Sales.....	Virginia State Department of Taxation
Taxable Retail Sales/CPI.....	Virginia State Department of Taxation

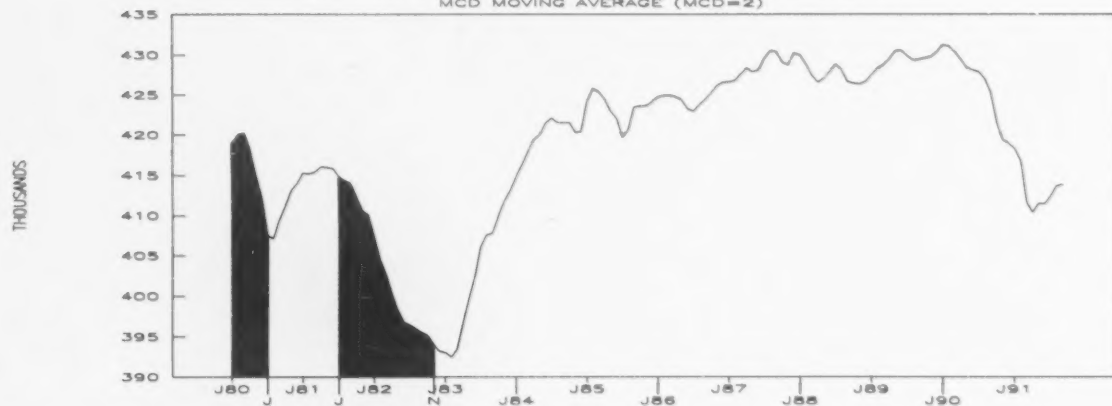
NONAG WAGE & SALARY EMPLOYMENT

MCD=1



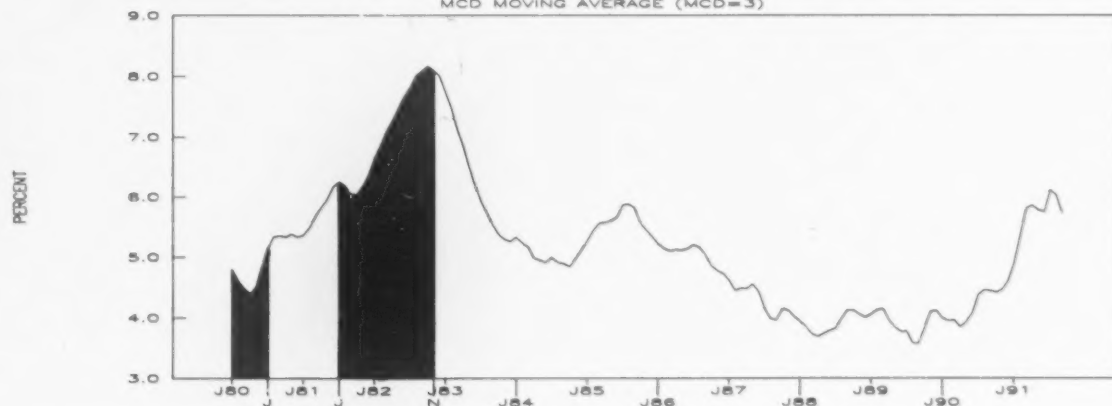
MANUFACTURING EMPLOYMENT

MCD MOVING AVERAGE (MCD=2)



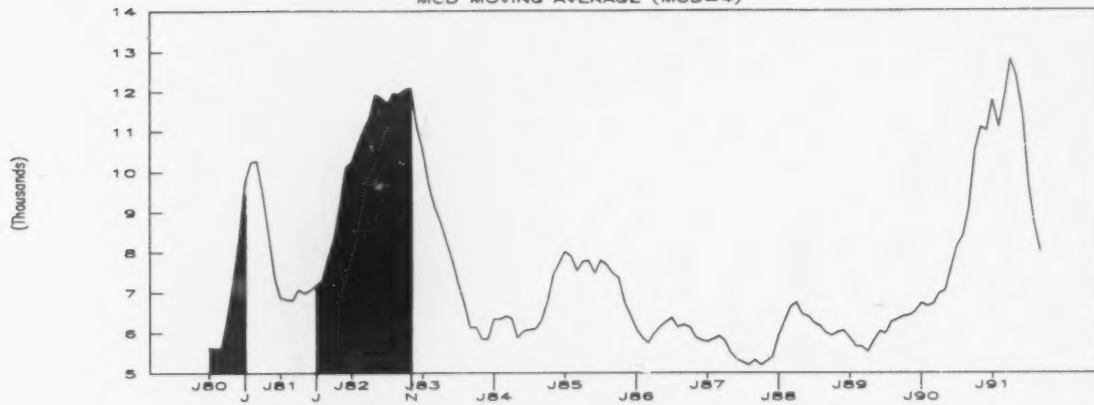
TOTAL UNEMPLOYMENT RATE

MCD MOVING AVERAGE (MCD=3)



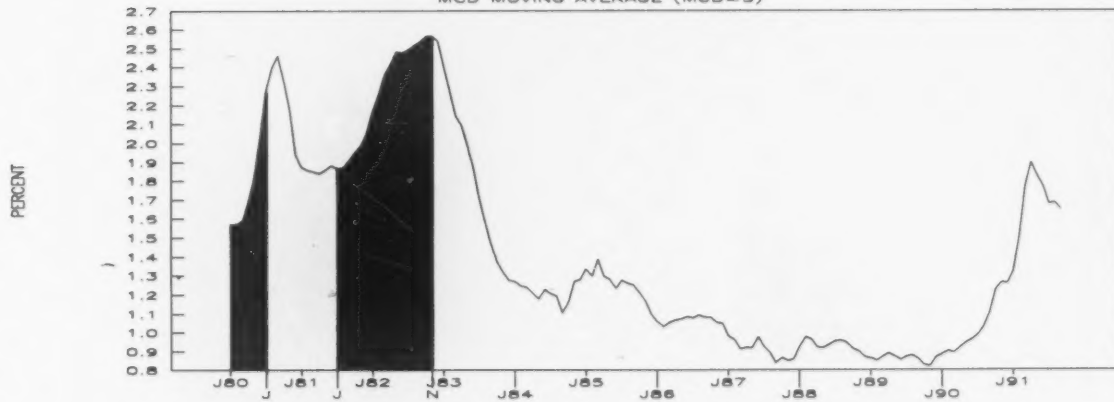
AVERAGE WEEKLY INITIAL CLAIMS

MCD MOVING AVERAGE (MCD=4)



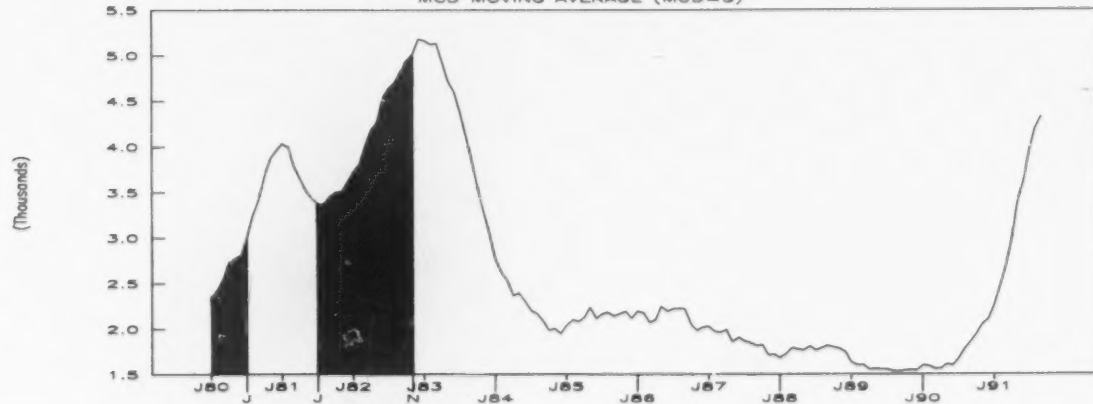
INSURED UNEMPLOYMENT RATE

MCD MOVING AVERAGE (MCD=3)



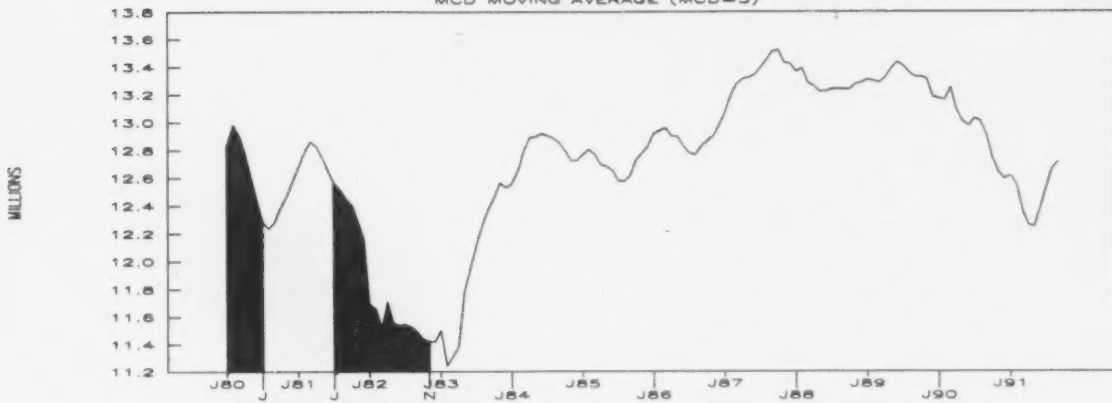
U. I. FINAL PAYMENTS

MCD MOVING AVERAGE (MCD=5)



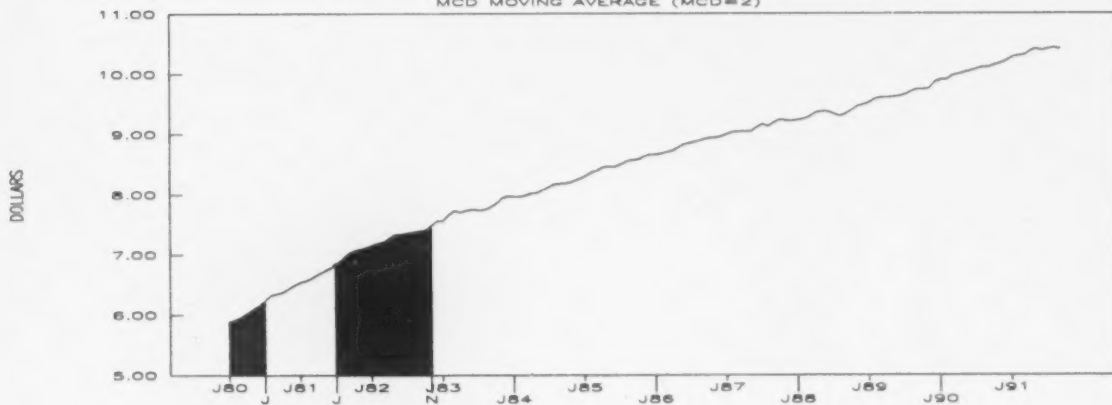
AVERAGE MANHOURS

MCD MOVING AVERAGE (MCD=3)



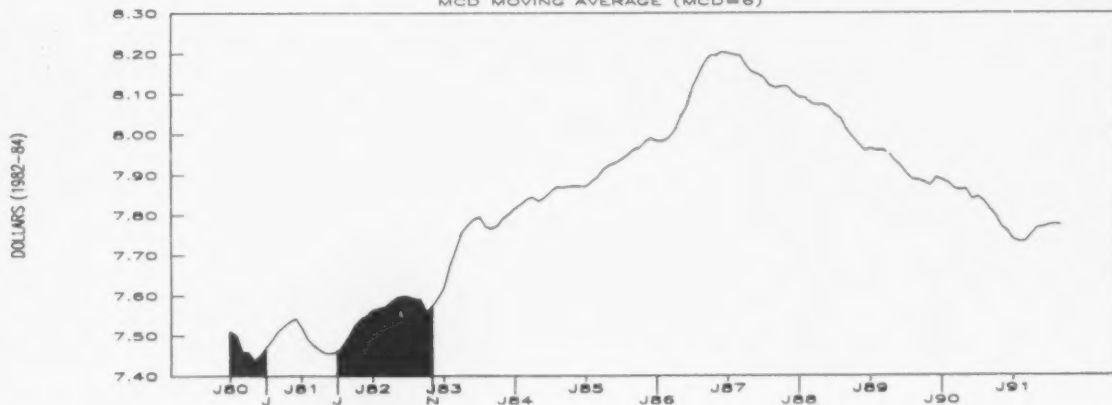
AVERAGE HOURLY EARNINGS

MCD MOVING AVERAGE (MCD=2)

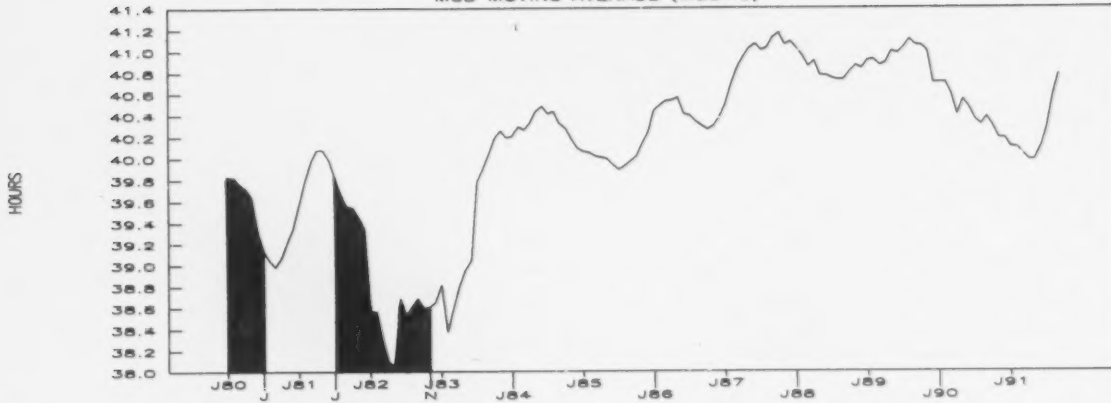


AVG. HOURLY EARNINGS/CPI

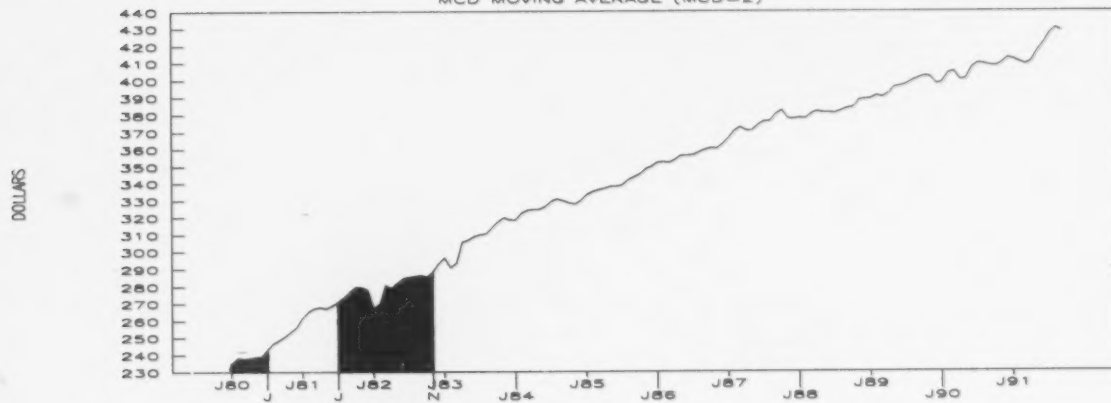
MCD MOVING AVERAGE (MCD=6)



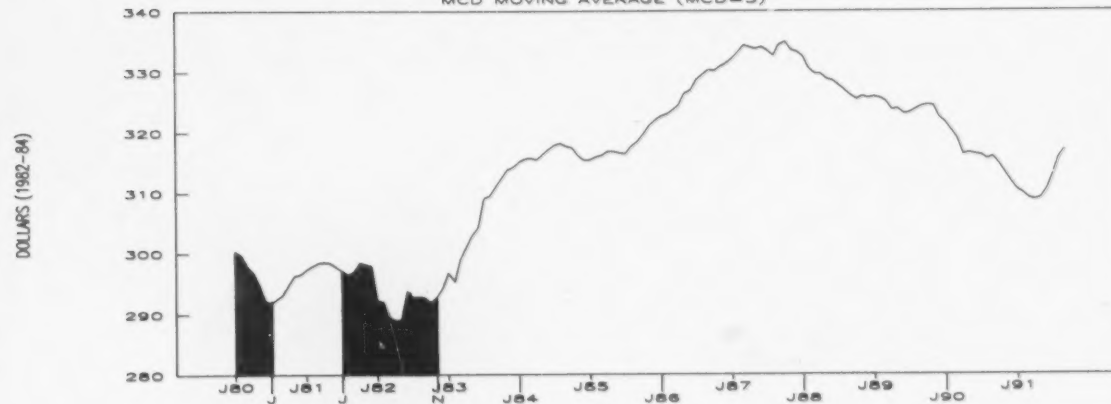
AVERAGE WORKWEEK MCD MOVING AVERAGE (MCD=5)



AVERAGE WEEKLY EARNINGS MCD MOVING AVERAGE (MCD=2)

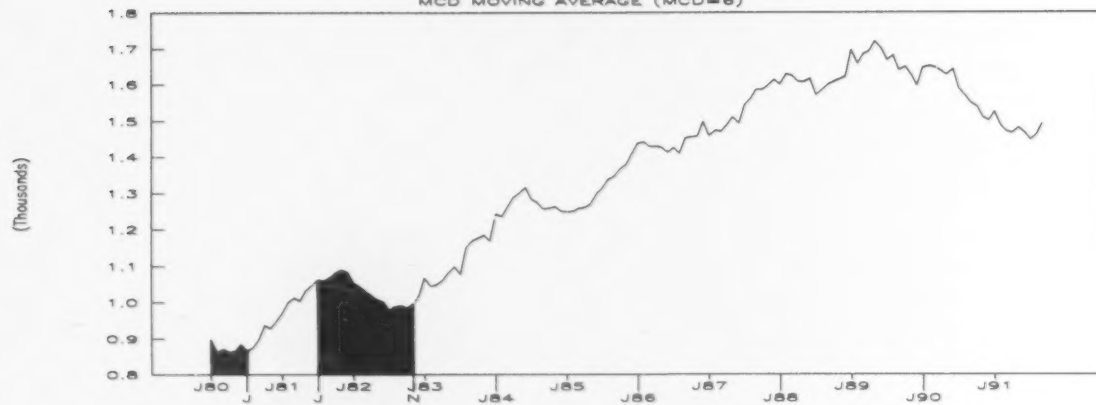


AVG. WEEKLY EARNINGS/CPI MCD MOVING AVERAGE (MCD=5)



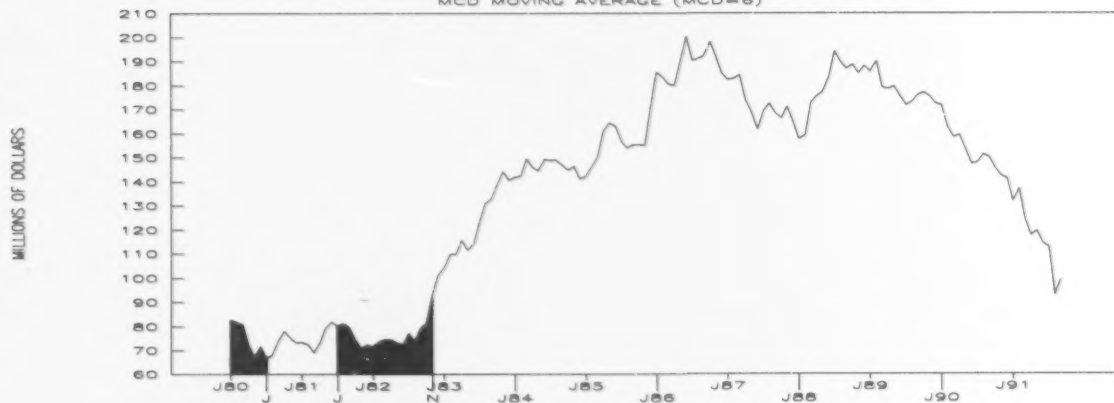
NEW BUSINESS INCORPORATIONS

MCD MOVING AVERAGE (MCD=6)



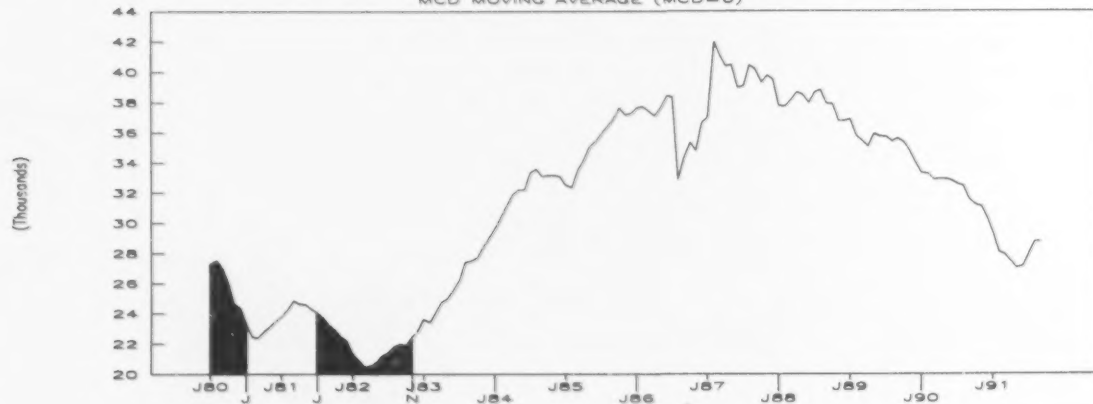
VALUATION OF BUILDING PERMITS

MCD MOVING AVERAGE (MCD=6)

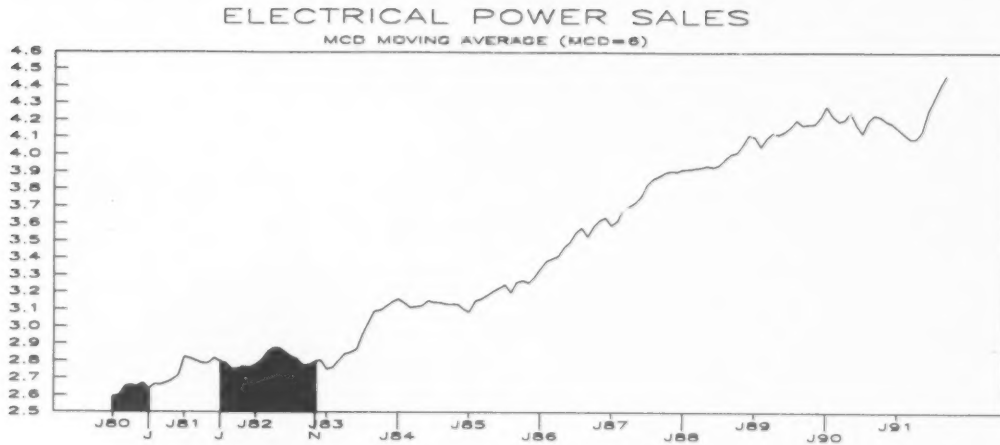


NEW VEHICLE REGISTRATIONS

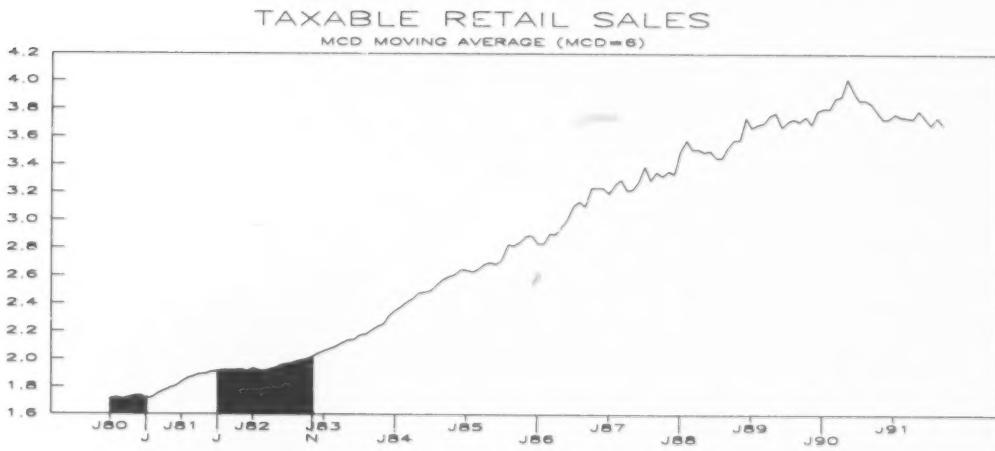
MCD MOVING AVERAGE (MCD=6)



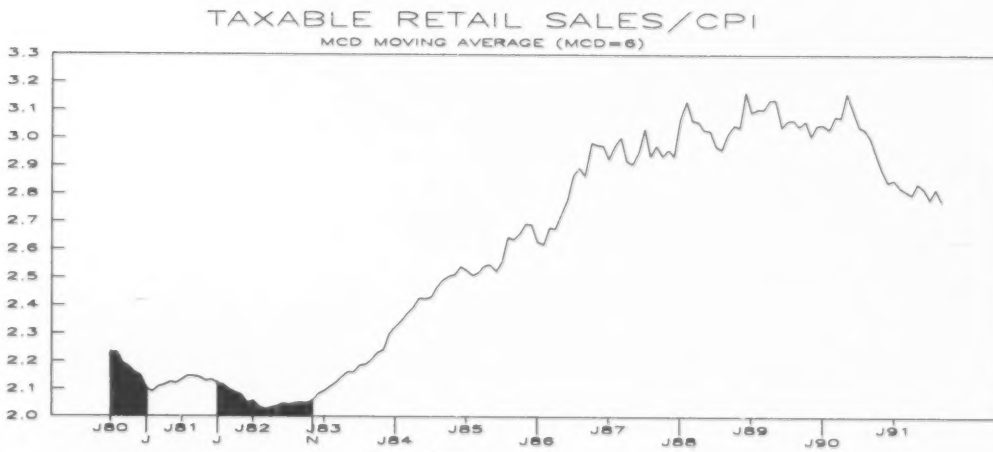
BILLIONS OF KWH



BILLIONS OF DOLLARS



BILLIONS OF DOLLARS (1982=1984)



Virginia Employment Commission
Economic Information Services Division
Post Office Box 1358
Richmond, Virginia 23211-1358

ADDRESS CORRECTION REQUESTED



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Virginia Employment Commission

ECONOMIC INDICATORS

4th Quarter 1991 Data

Volume 23 No. 4

ARY • LEADING INDEX • DEFLATED
• NEW VEHICLE REGISTRATIONS
EARNINGS • BUILDING PERMITS
ECONOMIC OUTLOOK • MOVING
• ELECTRICAL POWER SALES •
S • MANHOURS • PRODUCTION
PAYMENTS • COINCIDENT INDEX •
• INSURED UNEMPLOYMENT RATE
W BUSINESS INCORPORATIONS •
CYCLE • AVERAGE WEEKLY HOURS
T • FINAL PAYMENTS • EXPORTS
AIL SALES • INITIAL CLAIMS •

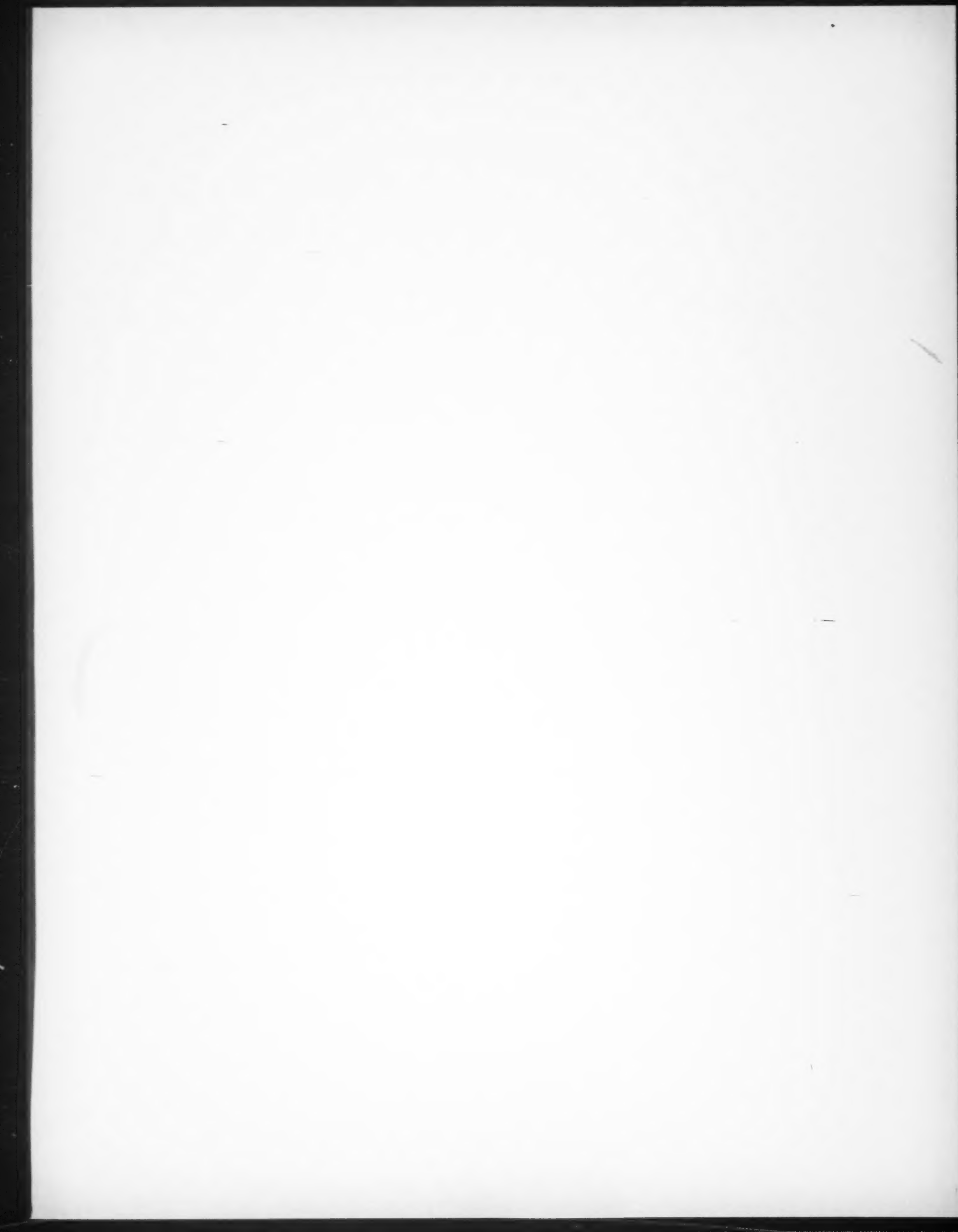


Virginia Employment Commission

ECONOMIC INDICATORS

4th Quarter 1991 Data

Volume 23 No. 4



FOREWORD

This publication is designed to depict the movement of Virginia's key economic indicators in graphic and tabular form with accompanying narrative analysis.

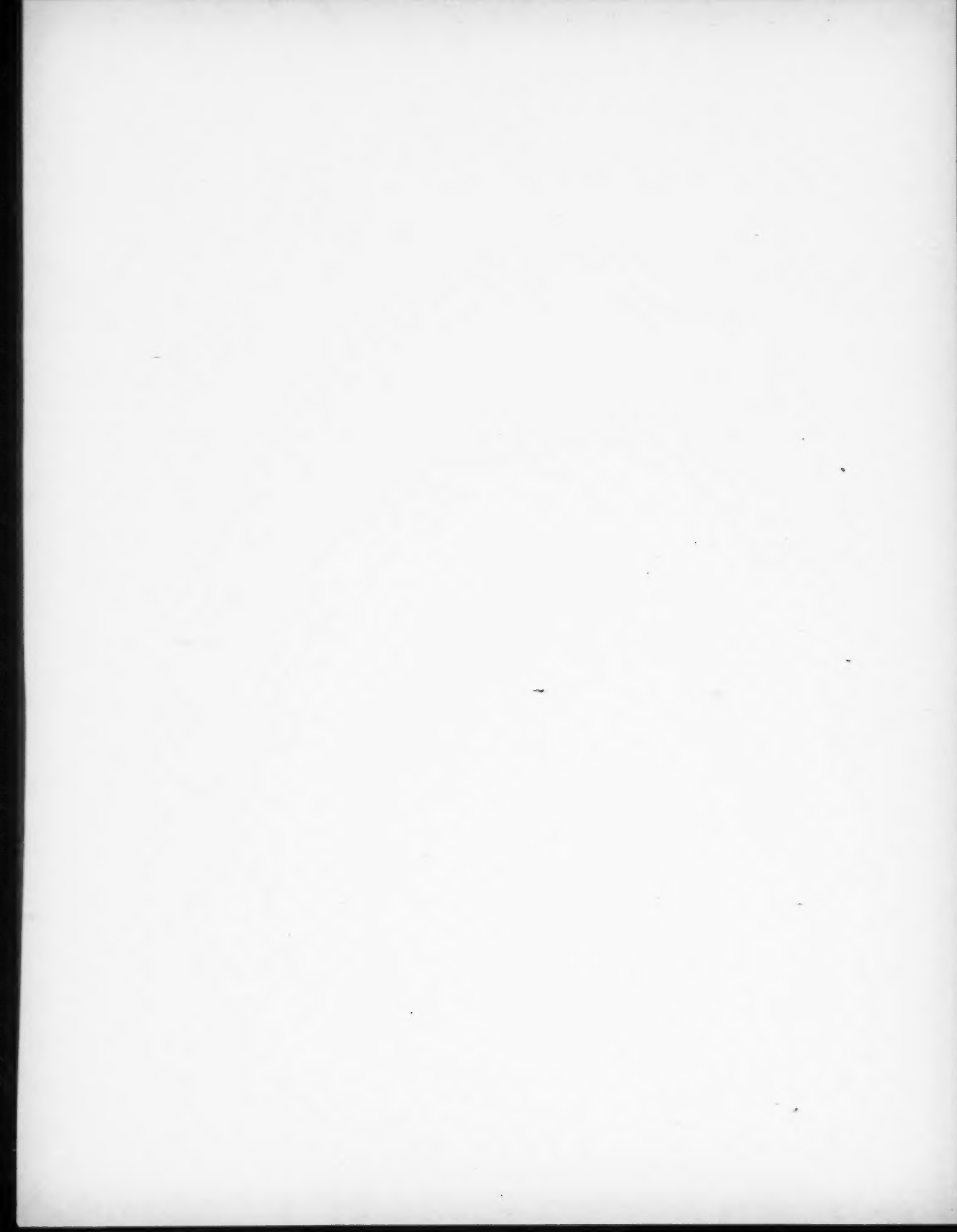
We welcome any comments, suggestions, or questions concerning Virginia Economic Indicators. Please address your comments to: Dolores A. Esser, Director, Economic Information Services Division, Virginia Employment Commission, P.O. Box 1358, Richmond, Virginia 23211. For additional information or explanation of the contents of this document, you may contact the Economic/Operations Research section at (804) 786-5669.

Our Telephone Device for the Deaf (TDD) number is (804) 371-8050.



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ECONOMIC OUTLOOK - U.S.

Vol. 23, No. 4

Fourth Quarter Data

FORECAST UPDATE

- The U.S. economy, according to U.S. Department of Commerce figures, has been in a weak recovery since Third Quarter 1991.
 - The initial estimate for Third Quarter 1991 was 2.4 percent growth* as the economy started to revive late last summer. Subsequent revisions took some of the luster off the recovery as Third Quarter 1991 growth was revised downward, at first to 2.2 percent, then finally to 1.8 percent.
 - Fourth Quarter 1991 was first reported at only 0.3 percent growth. Revisions first showed 0.8 percent growth, then finally 0.4 percent growth for Fourth Quarter 1991.
 - With figures as weak as the above, it is easy to see why many people were saying they can't see that any recovery is taking place.
 - Adding to the public's dismal mood about the economy were:
 - Reports of very lackluster holiday retail sales in most parts of the country.
- Announcements by the big three domestic automakers about how much money they lost in 1991.
 - Announcements of further drastic downsizing and restructuring layoffs by major corporations such as General Motors, IBM, and other household names.
 - Unemployment rates nationally and in most states continued on the upswing in late 1991 and early 1992. Because unemployment is a lagging economic indicator, it is not that unusual for unemployment rates to continue to rise even after recovery has commenced. It may take six months or longer for the employment cycle to work off the excess of displaced workers accumulated during the recession. At first, employers increase the length of the work week (that appears to be happening); next, recalls of furloughed workers occur; and finally, new jobs are created and new hires are made--but this process takes time.
 - Candidates running for President in 1992 in the various primaries have been quick to harp on the poor state of the economy.
 - The generally perceived failure of the recent trade mission by the President and corporate leaders to Japan and the ensuing remarks by Japanese leaders about the "American work ethic."
- The culmination of all of the above has pretty much caused most fore-

*The U.S. Department of Commerce with 1991 revisions at the start of 1992 switched from Gross National Product (GNP) to Gross Domestic Product (GDP) as its chief measure of growth in the economy. The difference in the two series is in how imports are treated. GNP included imports--GDP excludes them. The back series have now been converted to GDP.

casters to write off First Quarter 1992, although the economy is expected to bounce back shortly.

- Little hope exists for anything much better than about -0.5 percent GDP growth in First Quarter 1992.
- A spring recovery would narrowly avoid the much talked about double-dip recession.
- Technically, to have a double-dip recession, there would have to be two consecutive negative quarters after a positive quarter.
- Some powerful forces are already at work that should revive the economy by spring and summer 1992:

- The lowest interest rates in two decades are providing significant incentives to expansions.

The low rates are causing the housing recovery begun last year to gather momentum.

Business is finding it much cheaper to carry the debt it had previously incurred and cost factors "are right" for plant and equipment expansion.

- The Federal Reserve at this point is not above even further easing should the economy begin to stall out again. Attempts will also probably be made by the regulatory authorities to lighten some of the loan requirement burdens put in place because of the high failure rate of builders and other business segments during the recent recession.
- Factories, outside of auto-related items, have been working a steady pace since mid-1991, and orders and production are on the upswing.
- Export orders still remain strong and the current weak

dollar is making U.S.-made goods competitive in world markets.

- Consumers are starting to show signs of releasing pent-up demand, and cars and other durables eventually wear out.
- The administrative changes in the income tax withholding tables will pump a little more money into the economy this spring and summer, although some taxpayers may be paying it back at tax time next year.
- The economy almost always improves in presidential election years as election time draws nearer.
- Growth for all of 1992 is expected to average about 1.5 percent because of the negative first quarter. Growth in 1993 and 1994 should average right at the 3.0 percent mark (much better than the present) but still falling short of the 4.6 percent average rate of growth of post-war recoveries.
- Alternate scenarios are:
 - Continued stagnation (probability 20 percent). The absence of an employment pickup by spring or electioneering rhetoric could undermine confidence once again.
 - A growth surge in the two final quarters of 1992 (probability 20 percent). The extremely low interest rates, a weak dollar, and long pent-up consumer demand could cause a burst of economic growth.

William F. Mezger
Economist

HIGHLIGHTS

VIRGINIA ECONOMIC INDICATORS

Fourth Quarter 1991

- The weak recovery which began in Third Quarter 1991 was proving so anemic by Fourth Quarter 1991 that it was difficult to tell that recovery was really taking place. The fifteen series used to measure the Virginia economy were exhibiting little movement in Fourth Quarter 1991, and what movement that did take place was largely indecisive.
- As a result of the lack of movement in the series, only one record was set in Fourth Quarter 1991.
 - Average hourly wages increased \$.08 in December to an all-time high of \$10.53, \$.03 above the previous record set last April.
- While not records,
 - Initial claims for unemployment benefits fell to 7,028 per week in December--the lowest level since March 1990.
 - The insured unemployment rate fell to 1.0 percent in December--the lowest insured rate recorded since July 1990.
 - Motor vehicle registrations rose above the 30,000 mark, to 30,102 in December, for the first time since November 1990.
- The Consumer Price Index for the United States for All Urban Consumers (CPI-U) averaged 137.7 (1982-84=100) in Fourth Quarter 1991.
- The Consumer Price Index for the United States for All Urban Consumers (CPI-U) registered an annual gain of 4.2 percent in 1991 to average 136.2 (1982-84=100). This gain compared to a 5.4 percent rise in the average CPI-U in 1990.
- According to the Bureau of Labor Statistics (BLS) of the U.S. Department of Labor, productivity increased at a 2.2 percent annual rate during Fourth Quarter 1991 in the business sector, as output increased at a 0.8 percent annual rate and hours of all persons engaged in the sector fell 1.5 percent (seasonally adjusted rates). This was the third consecutive quarter of productivity increases. During the Third Quarter 1991, business productivity had increased 1.1 percent, as output grew 1.8 percent and hours increased 0.7 percent.
- BLS also reported annual productivity and related indexes for nonfinancial corporations for 1991. Productivity increased 1.4 percent, as output slipped 1.0 percent and hours decreased 2.4 percent during the year. Hourly compensation rose 3.9 percent in 1991 but fell 0.2 percent when the increase, in the CPI-U was taken in account. Unit labor costs rose 2.5 percent, unit nonlabor costs rose 5.6 percent, and unit profits declined 8.0 percent.
- According to the Energy Information Administration of the U.S. Department of Energy, coal production in Virginia in 1991 was 44,153,000 short tons compared to the record 50,013,000 short tons produced in 1990. The 11.7 percent drop in 1991 coal production from the 1990 all-time record was the result of competition from low oil prices and two consecutive mild winters that have reduced the demand for coal.

VIRGINIA INDICATORS

Fourth Quarter Data

Like in the nation as a whole, the recovery in Virginia proved so anemic in Fourth Quarter 1991 that it was difficult to tell if recovery, in fact, was taking place. The somewhat mixed signals about the economy caused many consumers to act cautiously in making holiday purchases with the net result that most retailers did only marginally better in holiday sales in 1991 than in 1990.

The fifteen series used to measure the Virginia economy also seemed unsure that recovery was at hand and generally exhibited little and indecisive overall movement in 1991's final quarter. October continued September's negative pattern after slightly stronger performances earlier in Third Quarter 1991. October saw six series down, five series unchanged, and four series up. November's indicators showed no direction at all with five series up, five series unchanged, and five series down. Thanks mainly to slight improvements in the unemployment and production earnings series, December's performance was nine series up, two unchanged, and four down. As 1991 drew to a close, the chief strengths seemed to lie in steadier production schedules the last half of the year and increased hours of work and earnings for those workers who still had jobs. Usually, an increased workweek is one of the early signs of recovery.

For an update on how Virginia's industries and regions are faring in the current economy, please see this issue's feature article "Virginia 1991 Nonagricultural Employment Performance and 1992-1994 Forecast" on page 22.

ANEMIC RECOVERY CAUSES LACK OF DIRECTION IN INDICATOR SERIES

The two employment series continued to show relatively little movement. Nonagricultural employment grew 0.8 percent or 21,600 to 2,843,200 in October, then was off slightly by a few thousand in both November and December, but the losses in the two final months of 1991 were so small that they showed up as "no change" on our direction of change tables on pages 18 and 19. Factory employment was practically unchanged from September to October at 412,100; lost 3,000 jobs in November, then gained 800 of those jobs back in December. (December was still a "no change" on our table.) The lack of job growth seems to be a major deterrent to really getting the economy going again.

The unemployment-related series were fairly negative in October, but turned more positive as the quarter progressed. The total unemployment rate increased from 5.4 percent in September to 5.7 percent in October, inched up to 5.8 percent in November, and then fell back to 5.6 percent in December. Average weekly initial claims for jobless benefits grew over 12 percent in October to 9,879 (the highest level since May) before falling 21 percent in November and another 10 percent in December to finish the quarter at 7,028 (the lowest level since March 1990).

The insured unemployment rate was stuck at 1.7 percent from September through November, then fell to 1.0 percent in December (the lowest insured rate since July 1990). The

number of jobless claimants receiving their last payment before exhausting benefits, was up in October, fell in November, then rose again in December; but, at 4,382, did not quite get back to the 4,511 October level. Final payments to some extent mirror new claims filings six months earlier.

The four production worker indicators generally showed little movement until December when they all moved in a positive direction. The only record set this quarter was the December average hourly wage, which at \$10.53 was \$.08 above November and \$.03 above the previous \$10.50 high set in April 1991. The workweek never quite made it back to the yearly high of 41.1 hours recorded in August, but remained above 40.7 hours for all three fourth quarter months, indicating some overtime. Manhours worked showed slight declines in both October and November, but ended the quarter at 12,594,800, slightly above the September level.

The five volatile business series as a group tended to be slightly positive in October and November before turning

slightly negative in December. New business incorporations were off in October and November before a slight pickup in December. Valuations of building permits registered small increases in October and November before falling almost 20 percent in December to \$97.8 million, a level that was just below September. Motor vehicle registrations were up a little in October, down a little in November, then rose 9.0 percent to 30,102 in December--their highest level since November 1990. Electric power sales were off in October, rose slightly in November, then at 4,251.3 million kilowatt hours in December were down again. Mild fall weather reduced power consumption. Taxable retail sales increased 3.5 percent in October and 8.2 percent in November, but then were off 1.3 percent to \$3,940 million in December. Except for some discount merchants, most retailers had a lackluster holiday selling season.

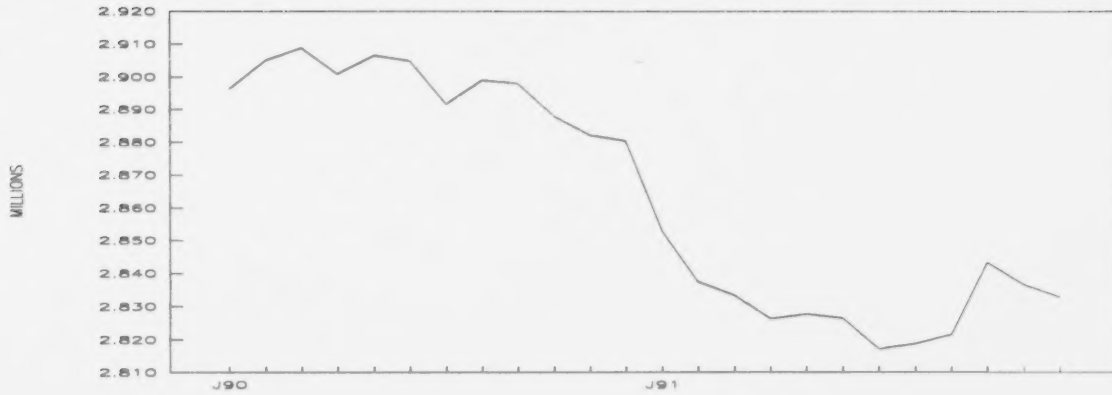
William F. Mezger
Economist

EMPLOYMENT INDICATORS **January 1990 to December 1991**

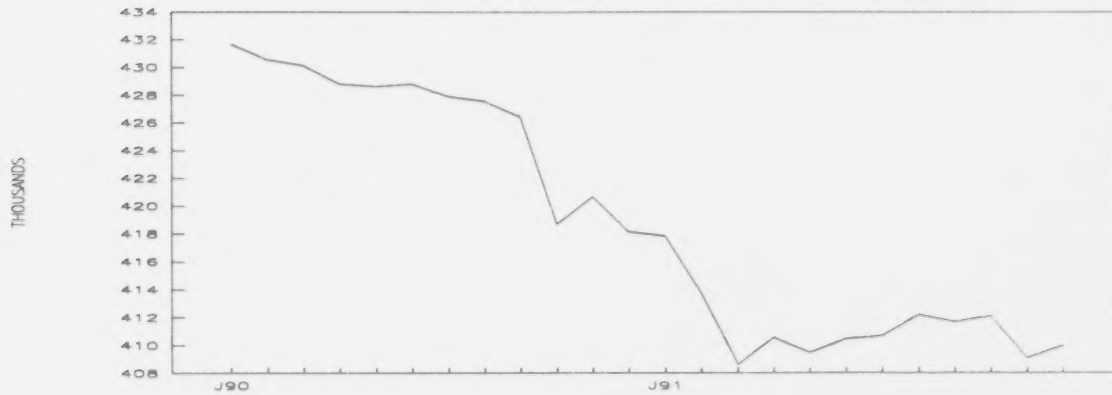
1990	Nonagricultural Wage and Salary Employment* (Thousands)		Manufacturing Employment* (Thousands)		Total Unemployment Rate* (Percent)	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
January	2,846.7	2,896.3	428.6	431.7	4.4	4.0
February	2,858.0	2,905.0	427.9	430.5	4.2	3.8
March	2,881.9	2,908.7	427.8	430.2	4.0	3.8
April	2,889.9	2,900.9	426.6	428.8	3.6	3.7
May	2,918.0	2,906.4	427.4	428.6	3.9	4.0
June	2,940.7	2,904.8	430.4	428.8	4.3	4.2
July	2,898.1	2,891.7	427.7	427.9	4.2	4.4
August	2,901.0	2,898.9	429.1	427.5	4.2	4.5
September	2,916.0	2,898.0	429.1	426.4	4.4	4.5
October	2,898.6	2,887.9	420.9	418.6	4.4	4.7
November	2,903.5	2,882.2	422.6	420.7	4.7	4.8
December	2,903.0	2,880.4	418.8	418.1	5.2	5.2
<u>1991</u>						
January	2,803.8	2,852.8	414.9	417.9	5.9	5.4
February	2,792.0	2,837.4	411.2	413.7	6.5	5.8
March	2,807.8	2,833.4	406.4	408.6	6.3	6.0
April	2,815.5	2,826.3	408.4	410.5	5.7	6.0
May	2,838.8	2,827.7	408.3	409.4	6.0	6.1
June	2,861.5	2,826.5	412.5	410.4	6.2	6.0
July	2,823.3	2,817.2	410.5	410.6	6.1	6.4
August	2,820.6	2,818.7	413.6	412.1	5.5	5.9
September	2,838.9	2,821.6	414.1	411.6	5.3	5.4
October	2,852.9	2,843.2	414.2	412.1	5.3	5.7
November	2,856.8	2,836.5	410.8	409.1	5.8	5.8
December	2,854.4	2,832.9	410.5	409.9	5.5	5.6

*These series have been adjusted to First Quarter 1991 benchmarks.

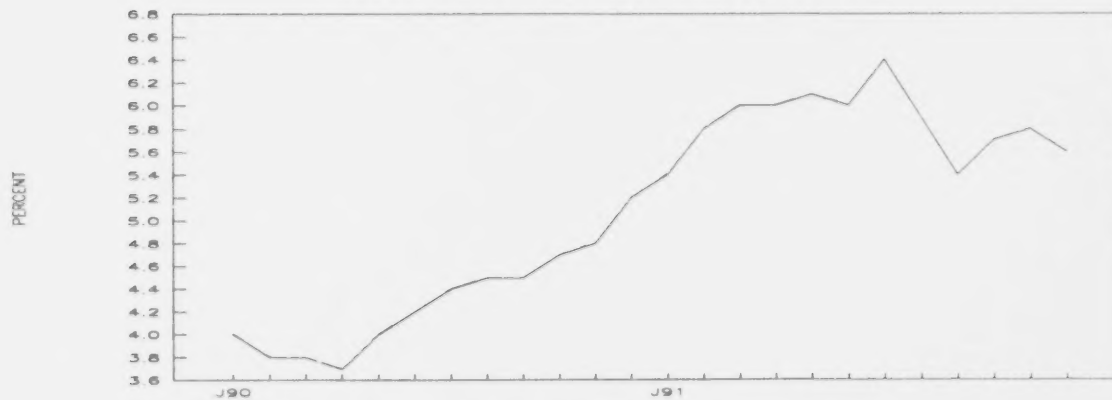
NONAG W & S EMPLOYMENT



MANUFACTURING EMPLOYMENT



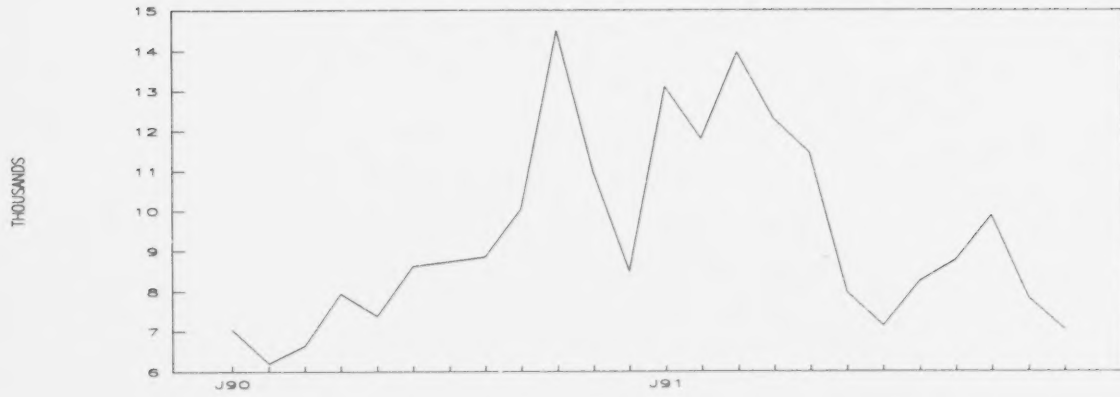
TOTAL UNEMPLOYMENT RATE



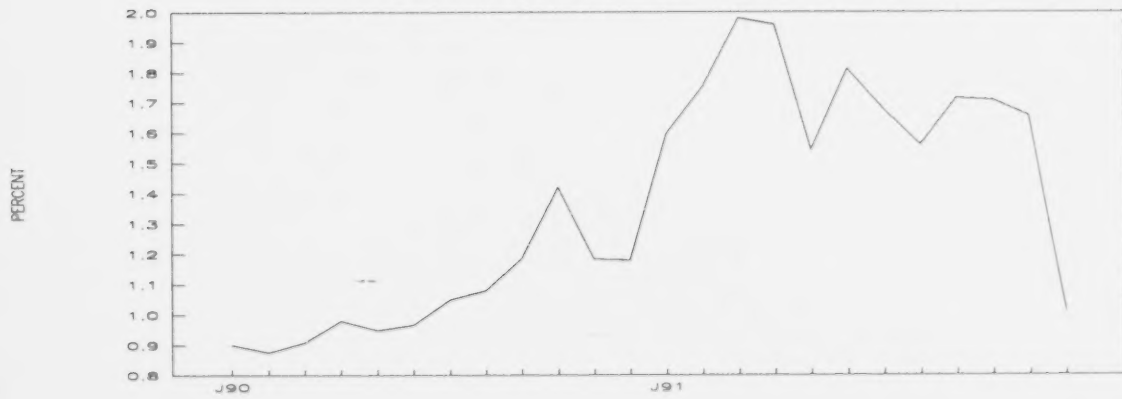
UNEMPLOYMENT INSURANCE INDICATORS
January 1990 to December 1991

	Average Weekly Initial Claims		Average Weekly Insured Unemployment (Percent)		Unemployment Insurance Final Payments	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
<u>1990</u>						
January	11,446	7,050	1.3	0.9	1,789	1,789
February	6,330	6,206	1.2	0.9	1,499	1,519
March	5,887	6,647	1.1	0.9	1,798	1,474
April	6,345	7,947	1.0	1.0	1,965	1,539
May	5,021	7,385	0.8	0.9	2,027	1,736
June	8,007	8,618	0.8	1.0	1,848	1,709
July	8,985	8,724	1.0	1.0	2,045	1,906
August	5,787	8,848	0.9	1.1	1,907	1,996
September	6,118	10,038	0.9	1.2	1,585	1,918
October	10,138	14,498	1.0	1.4	1,793	2,213
November	11,029	10,982	1.0	1.2	1,727	2,244
December	17,611	8,478	1.4	1.2	1,772	2,137
<u>1991</u>						
January	21,322	13,109	2.3	1.6	2,746	2,760
February	11,970	11,799	2.4	1.8	2,989	3,019
March	12,353	13,959	2.4	2.0	3,993	3,264
April	9,782	12,303	2.0	2.0	4,629	3,657
May	7,777	11,463	1.3	1.5	4,939	4,228
June	7,413	7,964	1.5	1.8	4,303	3,971
July	7,358	7,132	1.6	1.7	4,970	4,632
August	5,367	8,236	1.3	1.6	4,353	4,540
September	5,311	8,756	1.3	1.7	3,520	4,272
October	6,905	9,879	1.2	1.7	3,666	4,511
November	7,891	7,830	1.4	1.7	3,072	3,968
December	14,644	7,028	1.2	1.0	3,603	4,382

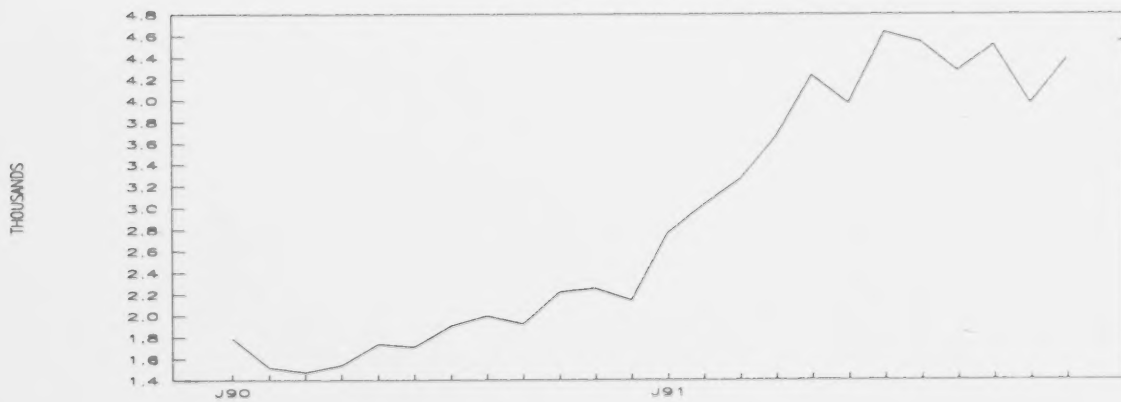
AVG. WEEKLY INITIAL CLAIMS



INSURED UNEMPLOYMENT RATE



U.I. FINAL PAYMENTS



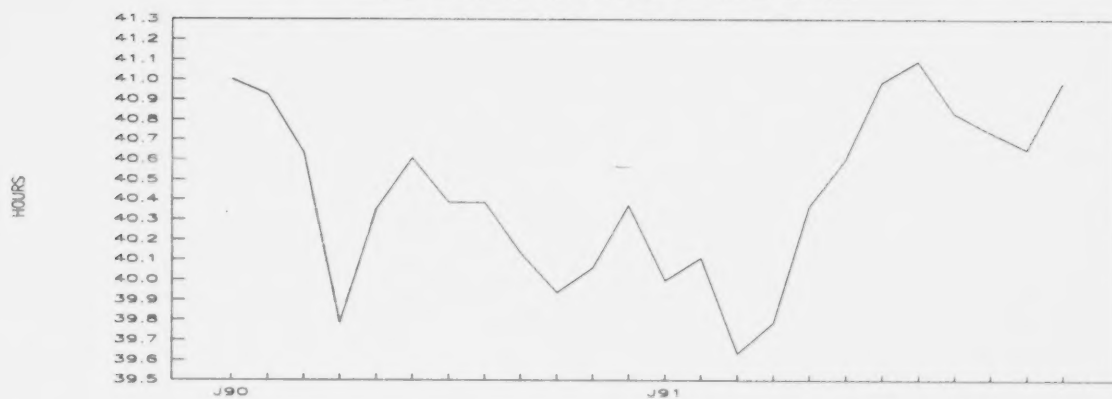
MANUFACTURING PRODUCTION WORKER INDICATORS

January 1990 to December 1991

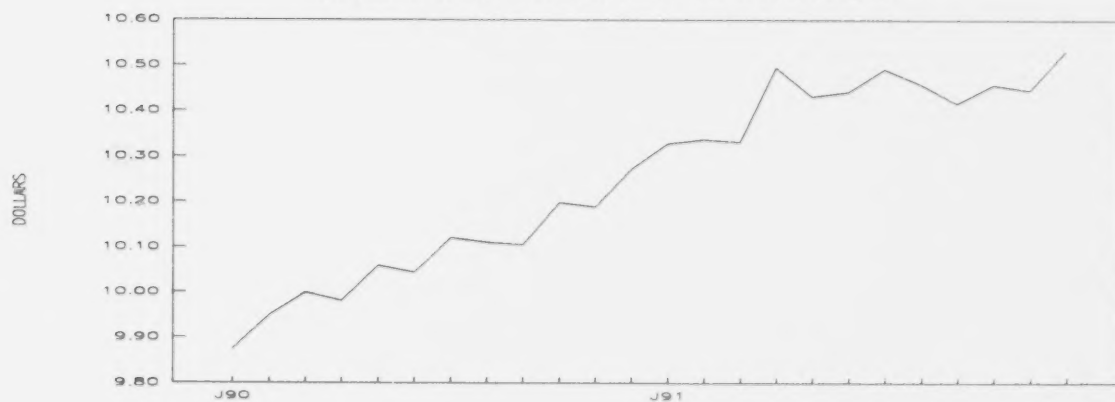
	Average Weekly Hours*		Average Hourly Earnings* (Dollars)		Deflated Average Hourly Earnings* (1982-84 Dollars)	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
<u>1990</u>						
January	40.7	41.0	9.86	9.87	7.83	7.83
February	40.2	40.9	9.90	9.95	7.83	7.85
March	40.4	40.6	9.97	10.00	7.84	7.83
April	39.6	39.8	9.93	9.98	7.80	7.85
May	40.2	40.4	10.02	10.06	7.81	7.86
June	40.8	40.6	10.06	10.04	7.82	7.82
July	40.1	40.4	10.12	10.12	7.86	7.86
August	40.2	40.4	10.11	10.11	7.78	7.78
September	40.6	40.1	10.14	10.10	7.73	7.72
October	40.1	39.9	10.21	10.20	7.74	7.75
November	40.7	40.1	10.26	10.19	7.76	7.71
December	40.9	40.4	10.31	10.27	7.80	7.75
<u>1991</u>						
January	39.7	40.0	10.31	10.33	7.76	7.76
February	39.4	40.1	10.28	10.34	7.74	7.76
March	39.4	39.6	10.30	10.33	7.74	7.74
April	39.6	39.8	10.44	10.50	7.83	7.88
May	40.2	40.4	10.39	10.43	7.77	7.82
June	40.8	40.6	10.46	10.44	7.80	7.80
July	40.7	41.0	10.49	10.49	7.81	7.81
August	40.9	41.1	10.46	10.46	7.77	7.77
September	41.3	40.8	10.45	10.42	7.73	7.72
October	40.9	40.7	10.47	10.46	7.73	7.74
November	41.3	40.7	10.52	10.45	7.75	7.70
December	41.5	41.0	10.57	10.53	7.78	7.73

*These series have been adjusted to First Quarter 1991 benchmarks.

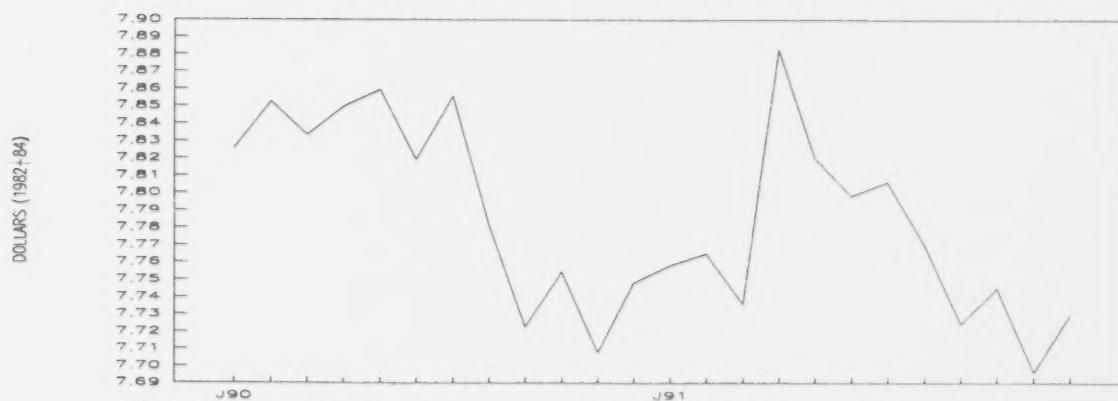
AVERAGE WEEKLY HOURS



AVERAGE HOURLY EARNINGS



AVG. HOURLY EARNINGS/CPI

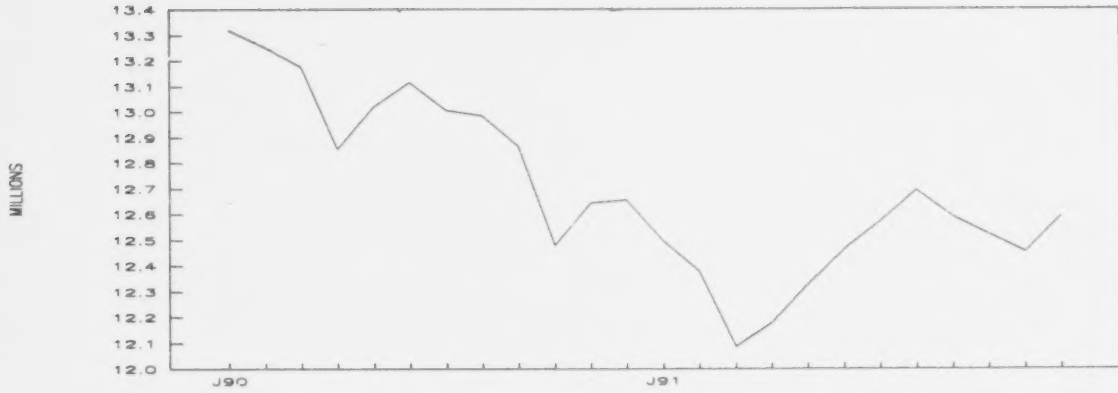


PRODUCTION WORKER INDICATORS (CONTINUED)
January 1990 to December 1991

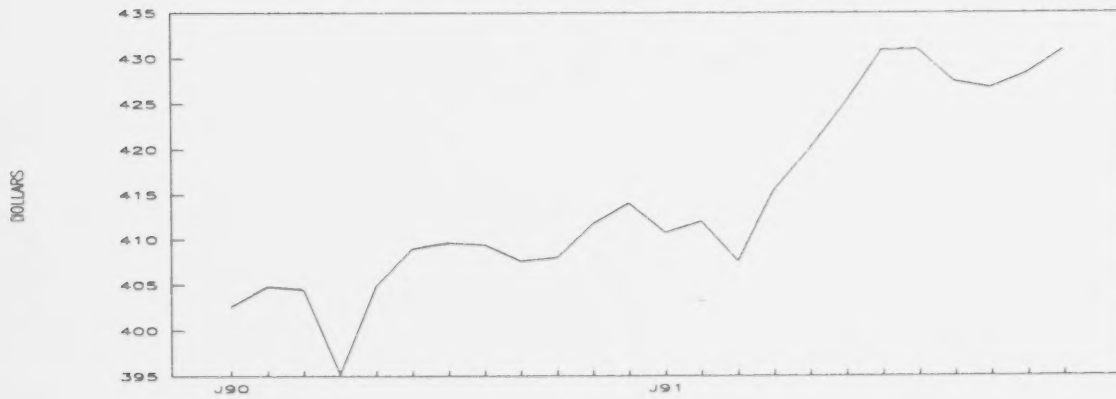
	Average Manhours* (Thousands)		Average Weekly Earnings* (Dollars)		Deflated Average Weekly Earnings* (1982-84 Dollars)	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
<u>1990</u>						
January	13,154.2	13,320.2	401.30	402.63	318.75	319.71
February	12,960.5	13,251.5	397.98	404.83	314.86	319.28
March	13,020.9	13,176.6	402.79	404.53	316.91	317.82
April	12,735.4	12,855.1	393.23	395.25	308.90	309.99
May	12,932.3	13,021.4	402.80	404.95	313.95	316.17
June	13,219.2	13,116.4	410.45	408.99	318.92	318.07
July	12,888.1	13,004.5	405.81	409.58	315.31	319.13
August	12,960.5	12,985.6	406.42	409.41	312.87	315.19
September	13,093.5	12,866.4	411.68	407.65	314.02	311.72
October	12,639.5	12,479.0	409.42	408.01	310.40	310.16
November	12,893.8	12,643.5	417.58	411.71	315.87	311.31
December	12,822.2	12,654.0	421.68	414.04	318.97	311.90
<u>1991</u>						
January	12,342.7	12,498.1	409.31	410.77	308.22	309.18
February	12,107.6	12,380.8	405.03	412.00	304.99	309.27
March	11,942.1	12,086.7	405.82	407.61	305.13	306.09
April	12,066.1	12,179.0	413.42	415.49	310.14	311.30
May	12,240.9	12,327.1	417.68	420.01	312.17	314.47
June	12,562.3	12,462.5	426.77	425.20	318.25	317.34
July	12,462.3	12,571.4	426.94	430.94	317.90	321.83
August	12,666.7	12,693.4	427.81	430.96	317.84	320.16
September	12,811.3	12,592.4	431.59	427.43	319.22	316.90
October	12,683.1	12,522.3	428.22	426.76	316.26	316.04
November	12,699.8	12,455.7	434.48	428.38	319.94	315.30
December	12,757.1	12,594.8	438.66	430.92	322.78	315.72

* These series have been adjusted to First Quarter 1991 benchmarks.

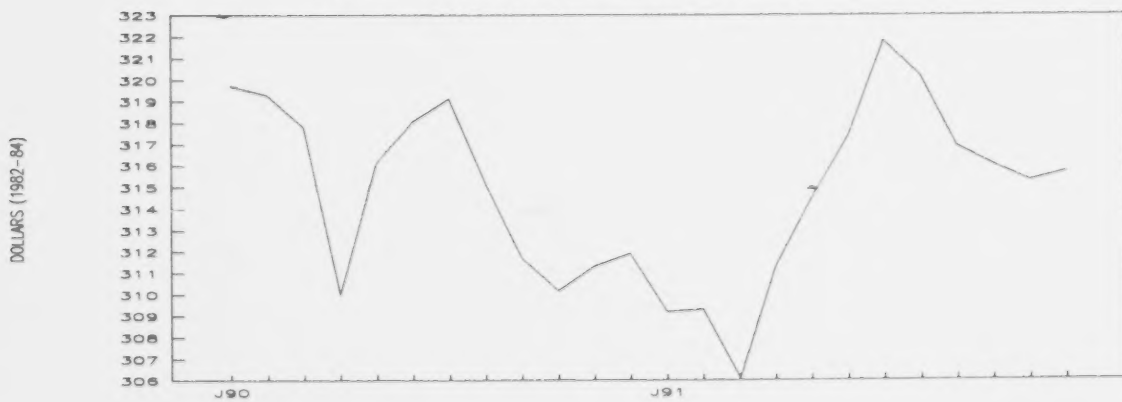
AVERAGE MANHOURS



AVERAGE WEEKLY EARNINGS



AVG. WEEKLY EARNINGS/CPI

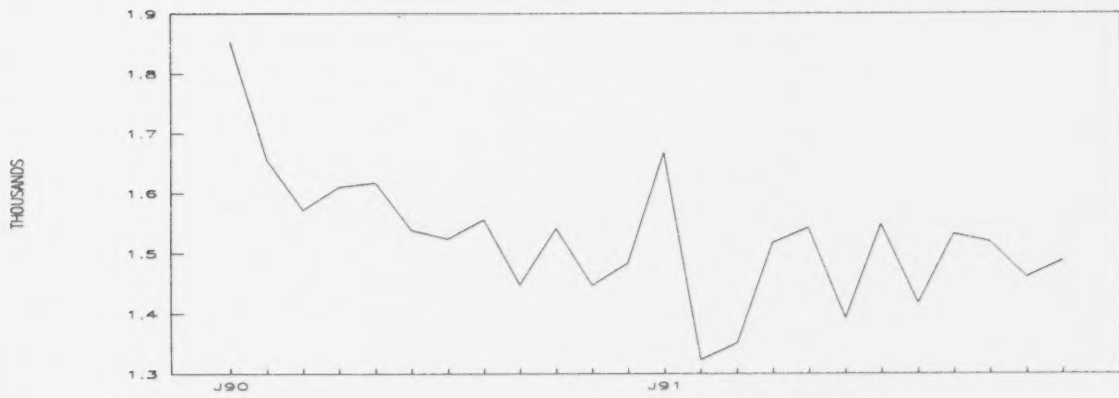


BUSINESS INDICATORS

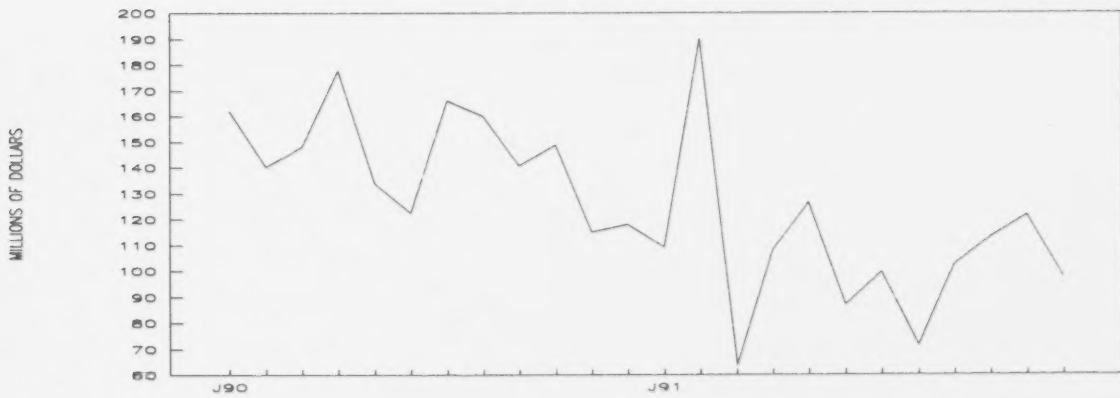
January 1990 to December 1991

	New Business Incorporations		Valuation of Building Permits (\$ Millions)		New Vehicle Registrations	
<u>1990</u>	<u>Unadjusted</u>	<u>Adjusted</u>	<u>Unadjusted</u>	<u>Adjusted</u>	<u>Unadjusted</u>	<u>Adjusted</u>
January	1,732	1,854	139.7	162.0	32,551	32,690
February	1,684	1,656	107.2	140.4	29,031	33,153
March	1,827	1,572	144.0	148.1	34,317	33,224
April	1,618	1,611	163.0	177.7	36,359	34,063
May	1,751	1,618	136.2	133.9	36,933	33,210
June	1,578	1,539	162.3	122.6	34,670	30,688
July	1,426	1,524	197.8	166.1	34,817	31,203
August	1,618	1,556	186.7	160.1	33,428	32,464
September	1,319	1,448	147.8	140.8	29,640	27,924
October	1,512	1,542	149.7	148.8	34,159	32,041
November	1,273	1,448	100.3	115.2	26,012	32,392
December	1,524	1,484	100.9	117.9	18,695	26,457
<u>1991</u>						
January	1,557	1,667	94.0	109.4	24,994	25,149
February	1,348	1,324	146.2	190.1	21,477	24,476
March	1,573	1,351	62.0	64.0	28,031	27,118
April	1,517	1,518	98.9	108.3	31,348	29,373
May	1,677	1,543	128.0	126.6	33,207	29,805
June	1,430	1,393	114.5	87.0	30,648	27,177
July	1,440	1,548	119.9	99.7	33,256	29,784
August	1,481	1,418	84.1	71.5	30,337	29,420
September	1,392	1,532	108.6	102.5	28,793	27,216
October	1,487	1,519	113.2	113.1	30,470	28,574
November	1,285	1,461	105.0	121.8	22,177	27,604
December	1,530	1,488	83.4	97.8	21,233	30,102

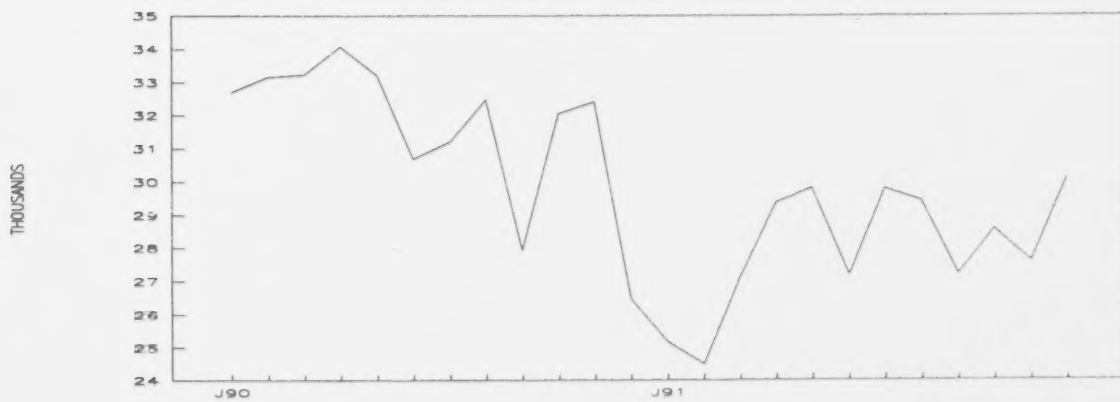
NEW BUSINESS INCORPORATIONS



VALUATION OF BUILDING PERMITS



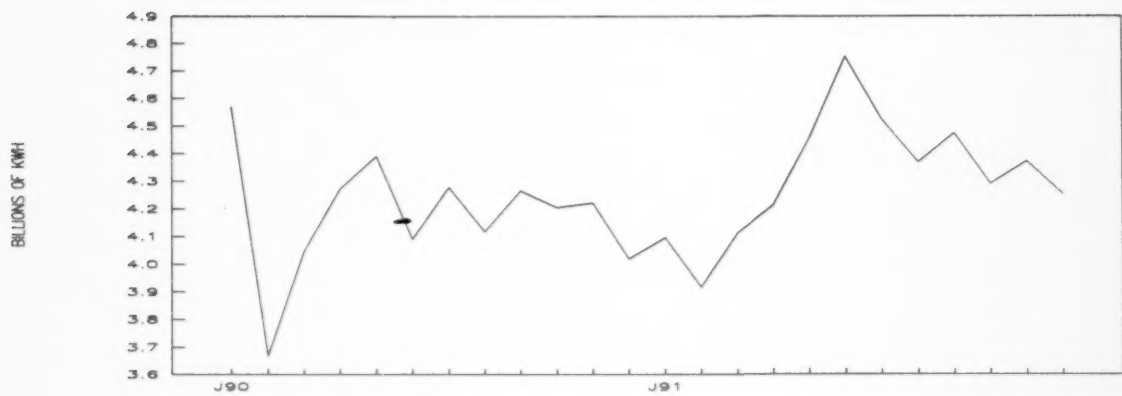
NEW VEHICLE REGISTRATIONS



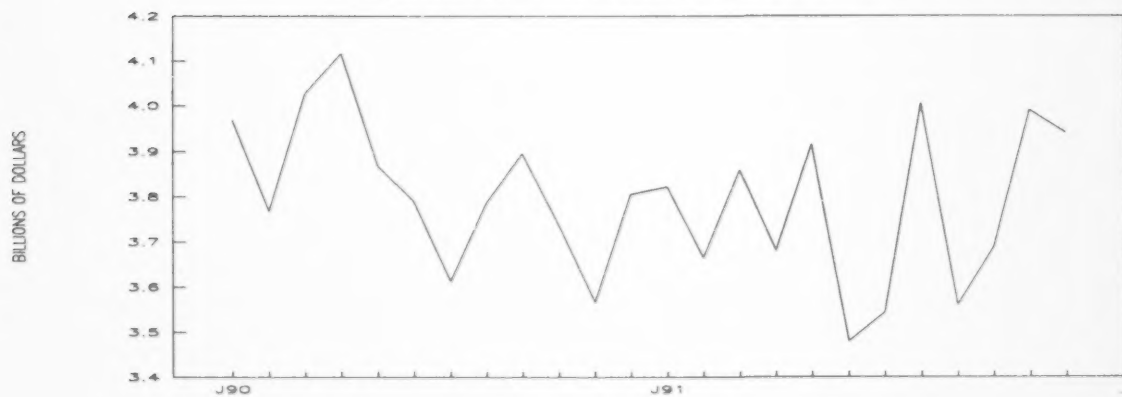
BUSINESS INDICATORS (CONTINUED)
January 1990 to December 1991

	Electrical Power Sales (Millions of KWH)		Taxable Retail Sales (Millions of Dollars)		Deflated Taxable Retail Sales (Millions of 1982-84 Dollars)	
<u>1990</u>	<u>Unadjusted</u>	<u>Adjusted</u>	<u>Unadjusted</u>	<u>Adjusted</u>	<u>Unadjusted</u>	<u>Adjusted</u>
January	5,261.2	4,572.5	3,087.1	3,968.1	2,452.0	3,161.6
February	4,085.0	3,668.0	3,825.9	3,768.1	3,026.8	2,998.5
March	4,114.0	4,045.4	3,633.6	4,027.4	2,858.9	3,178.9
April	3,856.4	4,271.3	4,054.1	4,116.4	3,184.7	3,244.2
May	3,657.5	4,389.9	3,887.3	3,867.7	3,029.9	3,036.5
June	3,890.4	4,090.1	3,959.7	3,790.2	3,076.7	2,966.6
July	4,754.4	4,277.3	3,822.7	3,612.5	2,970.2	2,836.6
August	4,614.0	4,116.4	3,702.6	3,785.5	2,850.3	2,932.0
September	4,478.6	4,264.7	4,031.6	3,894.0	3,075.2	2,992.4
October	3,667.1	4,204.1	3,661.3	3,736.7	2,775.8	2,852.7
November	3,667.2	4,220.8	3,445.8	3,567.5	2,606.5	2,704.9
December	4,046.2	4,017.7	4,779.3	3,804.3	3,615.2	2,730.6
<u>1991</u>						
January	4,711.5	4,096.3	2,978.1	3,821.9	2,242.5	2,888.8
February	4,361.1	3,917.3	3,722.4	3,665.6	2,803.0	2,776.2
March	4,175.6	4,111.1	3,469.6	3,858.9	2,608.7	2,912.4
April	3,807.4	4,211.1	3,634.8	3,680.6	2,726.8	2,771.2
May	3,712.5	4,453.2	3,910.7	3,914.4	2,922.8	2,948.6
June	4,516.5	4,753.7	3,633.9	3,480.2	2,709.8	2,615.2
July	5,033.3	4,526.3	3,766.2	3,543.5	2,804.3	2,667.6
August	4,890.0	4,367.2	3,914.0	4,005.6	2,907.9	2,994.9
September	4,702.9	4,473.6	3,690.0	3,561.1	2,729.3	2,654.0
October	3,737.2	4,288.7	3,611.8	3,686.6	2,667.5	2,742.0
November	3,798.7	4,370.3	3,830.7	3,990.3	2,820.8	2,945.9
December	4,282.5	4,251.3	4,975.2	3,939.8	3,660.9	2,744.1

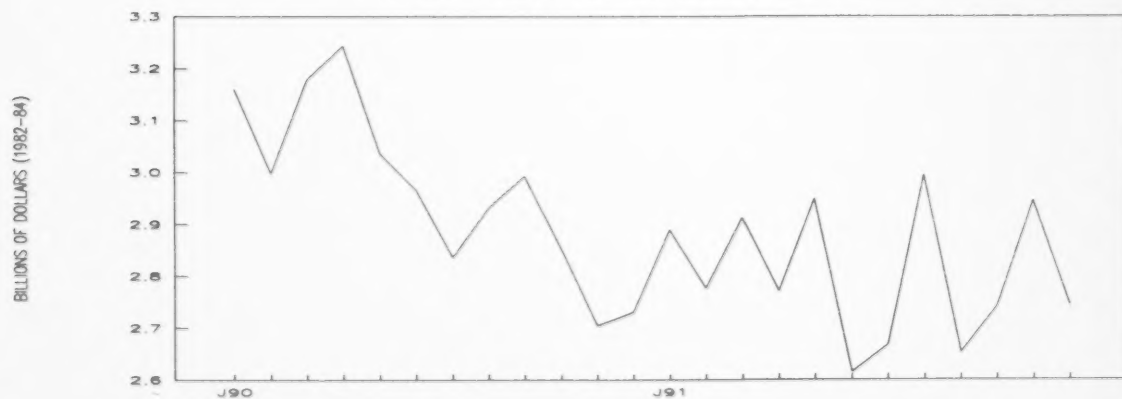
ELECTRICAL POWER SALES



TAXABLE RETAIL SALES



TAX. RETAIL SALES/CPI



DATA SUMMARY

DECEMBER 1991

(SEASONALLY ADJUSTED DATA)

EMPLOYMENT

	Dec. 1991	Nov. 1991	Dec. 1990	Nov. '91- Dec. '91	Dec. '90- Dec. '91
*Nonag Wage & Salary Emp (000)	2,832.9	2,836.5	2,880.4	- 0.1 (0)	- 1.6 (-)
*Manufacturing Employment (000)	409.9	409.1	418.1	0.2 (0)	- 2.0 (-)
*Total Unemployment Rate	5.6	5.8	5.2	(+)	(-)

UNEMPLOYMENT INSURANCE

Average Weekly Initial Claims	7,028	7,830	8,478	-10.2 (+)	- 17.1 (+)
Insured Unemployment Rate (%)	1.0	1.7	1.2	(+)	(+)
Final Payments	4,382	3,968	2,137	10.4 (-)	105.1 (-)

MANUFACTURING PRODUCTION WORKERS

*Average Weekly Hours	41.0	40.7	40.4	0.7 (+)	1.5 (+)
*Average Manhours (000)	12,595	12,456	12,654	1.1 (+)	- 0.5 (0)
*Average Hourly Earnings (\$)	10.53	10.45	10.27	0.8 (+)	2.5 (+)
*Average Weekly Earnings (\$)	430.92	428.38	414.04	0.6 (+)	4.1 (+)

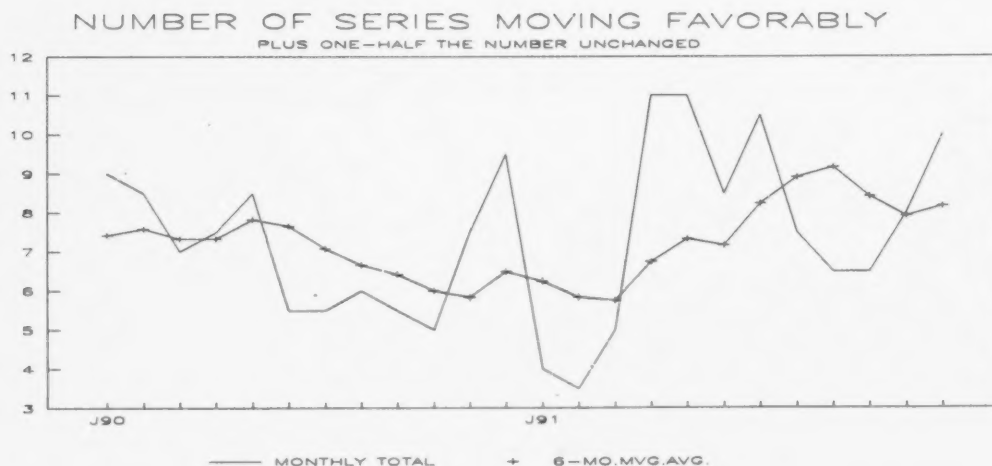
BUSINESS

New Business Incorporations	1,488	1,461	1,484	1.8 (+)	0.3 (0)
Valuation of Bldg Permits (\$M)	97.8	121.8	117.9	-19.7 (-)	- 17.0 (-)
New Vehicle Registrations	30,102	27,604	26,457	9.0 (+)	13.8 (+)
Electrical Pwr Sales (M of KWH)	4,251	4,370	4,018	- 2.7 (-)	5.8 (+)
Taxable Retail Sales (\$M)	3,940	3,990	3,804	- 1.3 (-)	3.6 (+)

*Revised to First Quarter 1991 benchmarks.

** (+) Favorable, (-) Not Favorable, (0) Change less than 0.5%.

SUMMARY



DATA SUMMARY NOVEMBER 1991 (SEASONALLY ADJUSTED DATA)	Percent & Direction** of Change				
	Nov. 1991	Oct. 1991	Nov. 1990	Oct. '91- Nov. '91	Nov. '90- Nov. '91
EMPLOYMENT					
*Nonag Wage & Salary Emp (000)	2,836.5	2,843.2	2,882.2	- 0.2 (0)	- 1.6 (-)
*Manufacturing Employment (000)	409.1	412.1	420.7	- 0.7 (-)	- 2.8 (-)
*Total Unemployment Rate	5.8	5.7	4.8	(-)	(-)
UNEMPLOYMENT INSURANCE					
Average Weekly Initial Claims	7,830	9,879	10,982	-20.7 (+)	-28.7 (+)
Insured Unemployment Rate (%)	1.7	1.7	1.2	(0)	(-)
Final Payments	3,968	4,511	2,244	-12.0 (+)	76.8 (-)
MANUFACTURING PRODUCTION WORKERS					
*Average Weekly Hours	40.7	40.7	40.1	0.0 (0)	1.5 (+)
*Average Manhours (000)	12,456	12,522	12,644	- 0.5 (-)	- 1.5 (-)
*Average Hourly Earnings (\$)	10.45	10.46	10.19	- 0.1 (0)	2.6 (+)
*Average Weekly Earnings (\$)	428.38	426.76	411.71	0.4 (0)	4.0 (+)
BUSINESS					
New Business Incorporations	1,461	1,519	1,448	- 3.8 (-)	0.9 (+)
Valuation of Bldg Permits (\$M)	121.8	113.1	115.2	7.7 (+)	5.7 (+)
New Vehicle Registrations	27,604	28,574	32,392	- 3.4 (-)	-14.8 (-)
Electrical Pwr Sales (M of KWH)	4,370	4,289	4,221	1.9 (+)	3.5 (+)
Taxable Retail Sales (\$M)	3,990	3,687	3,568	8.2 (+)	11.9 (+)

DATA SUMMARY OCTOBER 1991 (SEASONALLY ADJUSTED DATA)	Percent & Direction** of Change				
	Oct. 1991	Sep. 1991	Oct. 1990	Sep. '91- Oct. '91	Oct. '90- Oct. '91
EMPLOYMENT					
*Nonag Wage & Salary Emp (000)	2,843.2	2,821.6	2,887.9	0.8 (+)	- 1.5 (-)
*Manufacturing Employment (000)	412.1	411.6	418.6	0.1 (0)	- 1.6 (-)
*Total Unemployment Rate	5.7	5.4	4.7	(-)	(-)
UNEMPLOYMENT INSURANCE					
Average Weekly Initial Claims	9,879	8,756	14,498	12.8 (-)	- 31.9 (+)
Insured Unemployment Rate (%)	1.7	1.7	1.4	(0)	(-)
Final Payments	4,511	4,272	2,213	5.6 (-)	103.8 (-)
MANUFACTURING PRODUCTION WORKERS					
*Average Weekly Hours	40.7	40.8	39.9	- 0.2 (0)	2.0 (+)
*Average Manhours (000)	12,522	12,592	12,479	- 0.6 (-)	0.3 (0)
*Average Hourly Earnings (\$)	10.46	10.42	10.20	0.4 (0)	2.5 (+)
*Average Weekly Earnings (\$)	426.76	427.43	408.01	- 0.2 (0)	4.6 (+)
BUSINESS					
New Business Incorporations	1,519	1,532	1,542	- 0.8 (-)	- 1.5 (-)
Valuation of Bldg Permits (\$M)	113.1	102.5	148.8	10.3 (+)	- 24.0 (-)
New Vehicle Registrations	28,574	27,216	32,041	5.0 (+)	- 10.8 (-)
Electrical Pwr Sales (M of KWH)	4,289	4,474	4,204	- 4.1 (-)	2.0 (+)
Taxable Retail Sales (\$M)	3,687	3,561	3,737	3.5 (+)	- 1.3 (-)

*Revised to First Quarter 1991 benchmarks.

** (+) Favorable, (-) Not Favorable, (0) Change less than 0.5%.

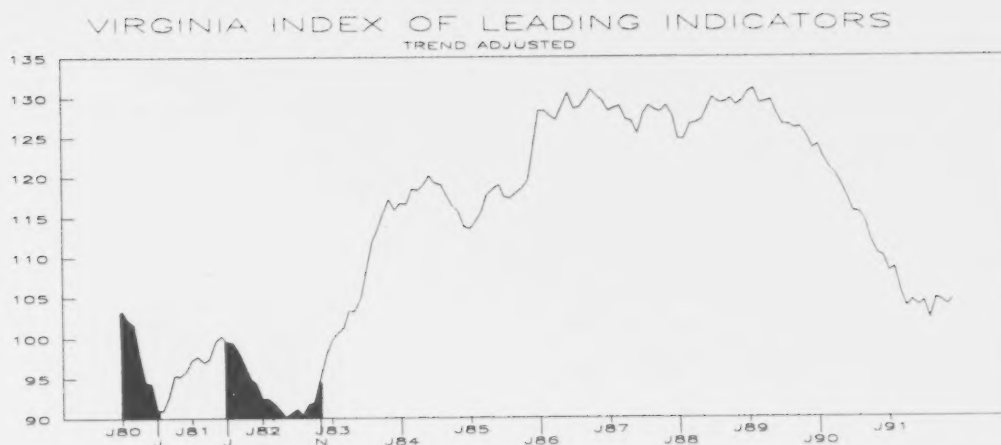
THE VIRGINIA LEADING AND COINCIDENT INDEXES

	Leading Index (82-84=100)	Monthly Percent Change	Quarterly Percent Change	Coincident Index (82-84=100)	Monthly Percent Change	Quarterly Percent Change
<u>1990</u>						
January	123.92	+0.3		124.54	+0.7	
February	122.18	-1.4	-2.1	125.25	+0.6	+0.7
March	121.01	-1.0		125.54	+0.2	
April	120.26	-0.6		126.14	+0.5	
May	118.96	-1.1	-2.9	125.82	-0.3	+0.3
June	117.22	-1.5		124.63	-0.9	
July	115.60	-1.4		122.90	-1.4	
August	115.50	-0.1	-3.1	121.94	-0.8	-2.8
September	114.34	-1.0		121.23	-0.6	
October	112.05	-2.0		120.38	-0.7	
November	110.40	-1.5	-3.8	119.57	-0.7	-2.1
December	110.01	-0.4		118.33	-1.0	
<u>1991</u>						
January	108.17	-1.7		116.80	-1.3	
February	108.48	+0.3	-3.1	115.24	-1.3	-3.3
March	105.44	-2.8		114.26	-0.9	
April	103.69	-1.7		113.63	-0.5	
May	104.44	+0.7	-3.2	113.51	-0.1	-1.6
June	103.79	-0.6		113.53	+0.0	
July	104.28	+0.5		113.01	-0.5	
August	102.20	-2.0	-0.2	113.27	+0.2	-0.2
September	104.71	+2.5		113.86	+0.5	
October	104.48	-0.2		114.80	+0.8	
November	103.89	-0.6	+0.6	114.68	-0.1	+1.1
December	104.70	+0.8		114.34	-0.3	

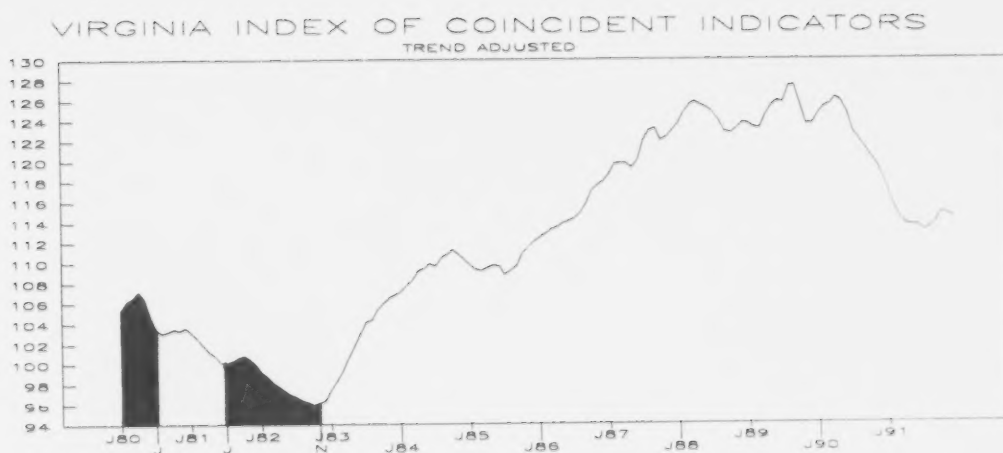
The Virginia Leading Index is adjusted to a 1982-84 base and includes Average Weekly Hours for Production Workers; New Businesses; Valuation of Building Permits, deflated to 1982-84 dollars; and Average Weekly Initial Claims. The Virginia Coincident Index includes Nonagricultural Wage and Salary Employment; Total Unemployment Rate; Taxable Retail Sales, deflated to 1982-84 dollars; and Average Hourly Earnings of Manufacturing Production Workers, deflated to 1982-84 dollars. The Coincident Index also uses a 1982-84 base. All series are adjusted for seasonality and month of cyclical dominance.

A strong positive month caused both the Leading and Coincident Indexes to average positive in 1991's final quarter.

1982-84=100



1982-84=100



VIRGINIA 1991 NONAGRICULTURAL EMPLOYMENT PERFORMANCE AND 1992-1994 FORECAST

1991 IN REVIEW

Nonagricultural wage and salary employment, one of the fifteen series used regularly in this publication to measure the Virginia economy, is annually revised to new benchmarks (unemployment compensation employer tax records) in the first quarter of the calendar year. The table on page 23 shows a comparison of revised average annual 1991 and 1990 nonfarm employment on the new benchmark basis.

The benchmark revisions show non-agricultural employment in 1991 fell 2.3 percent for a 65,800 decrease in the number of jobs as the impact of the recession was felt in Virginia. The nonfarm job loss in 1991 was the first decrease in nine years, since a 0.7 percent or 14,400 nonfarm decline in 1982. In 1990, which experienced recession only in the final quarter, average nonfarm employment grew by 1.2 percent or 34,400. The only other times average nonfarm employment in Virginia has declined in the post-war period were in 1954 (-2.5 percent or 23,000), in 1958 (-0.5 percent or 4,800) and in 1975 (-1.4 percent or 25,600). The nonfarm job total was much smaller in the earlier periods than now, being roughly only one-third the current size in 1954 and 1958 and two-thirds the current size in 1975. The timing of the recessions was a major factor in the amount of the average job loss in the years of negative growth. The 1954 recession was much like the current situation with the economy being in recession most of the year and post-Korean War defense cuts. The 1958 and 1975 recessions were fairly severe, but lasted only part of the respective years. The early

1980's recessionary period with back-to-back recessions (1980 and 1981-82) saw only marginal job growth in the 1980 and 1981 averages and a loss in the 1982 average. The year just ended has experienced the full impact of the present recession on nonfarm employment although unemployment rates have not risen nearly as sharply as in either 1975 and 1982. Virginia's 1991 jobless rate averaged 5.8 percent compared to averages of 6.4 percent in 1975 and 7.7 percent in 1982.

Only one of the eight major employment divisions experienced any job growth in 1991. Total government inched ahead +0.4 percent or 2,100 jobs to 580,500. Local governments, which were still operating off of monies appropriated in earlier fiscal periods the first half of the year, grew 1.6 percent or 4,200. The local government gain more than offset budget cut losses of 1.4 percent in state government and 0.1 percent in federal government. The fact that many of the Desert Storm troops were supplied from Virginia bases probably kept the federal job count from falling more than it did.

The biggest annual 1991 job loss was in construction, down 15.2 percent or 27,600 to 154,300. The end of the 1980's building boom was felt across the entire state, but the most severe impact was in Northern Virginia where construction jobs plummeted 25.2 percent or 13,600. While the surplus of unsold real estate in the Virginia portion of the District of Columbia suburbs is gradually being worked off, it will still probably be another year or so before supply comes

EMPLOYMENT IN NONAGRICULTURAL INDUSTRIES IN VIRGINIA
ANNUAL AVERAGES (IN THOUSANDS)
REVISED TO FIRST QUARTER 1991 BENCHMARKS

	1991	1990	Change 1990-1991	% Change 1990-1991
TOTAL NONAGRICULTURAL	2,830.5	2,896.3	-65.8	- 2.3
MANUFACTURING	411.2	426.4	-15.2	- 3.6
Durable Goods	198.2	207.1	- 8.9	- 4.3
Lumber & Wood Products	22.4	24.7	- 2.3	- 9.3
Furniture & Fixtures	21.7	23.3	- 1.6	- 6.9
Stone, Clay, & Glass	13.1	14.4	- 1.3	- 9.0
Primary Metal Industries	11.0	11.7	- 0.7	- 6.0
Fab. Metal Products	17.3	18.1	- 0.8	- 4.4
Industrial Machinery	22.7	22.4	+ 0.3	+ 1.3
Electronic Equipment	33.0	34.8	- 1.8	- 5.2
Transportation Equipment	44.2	44.1	+ 0.1	+ 0.2
Instruments & Rel. Equipment	9.7	10.3	- 0.6	- 5.8
Miscellaneous Manufacturing	3.1	3.2	- 0.1	- 3.1
Nondurable Goods	213.1	219.4	- 6.3	- 2.9
Food & Kindred Products	36.8	36.4	+ 0.4	+ 1.1
Tobacco Products	13.0	13.3	- 0.3	- 2.3
Textile Mill Products	38.6	40.5	- 1.9	- 4.7
Apparel & Other Textile Prods.	25.9	27.3	- 1.4	- 5.1
Paper	16.6	16.8	- 0.2	- 1.2
Printing & Publishing	33.9	35.5	- 1.6	- 4.5
Chemical & Allied Products	29.0	30.0	- 1.0	- 3.3
Rubber & Misc. Plastics	17.0	17.3	- 0.3	- 1.7
Other Nondurable Goods	2.3	2.3	0.0	0.0
MINING	14.2	15.2	- 1.0	- 6.6
CONSTRUCTION	154.3	181.9	-27.6	-15.2
TRANSPORTATION & PUBLIC UTIL.	147.9	149.6	- 1.7	- 1.1
TRADE	639.0	657.7	-18.7	- 2.8
Wholesale Trade	130.7	134.5	- 3.8	- 2.8
Retail Trade	508.3	523.2	-14.9	- 2.8
General Merchandise	63.4	67.2	- 3.8	- 5.7
Food Stores	86.2	86.4	- 0.2	- 0.2
Automotive Dealers	56.3	58.5	- 2.2	- 3.8
Apparel Stores	30.5	32.9	- 2.4	- 7.3
Furniture Stores	26.1	26.9	- 0.8	- 3.0
Eating & Drinking Establs.	158.9	160.9	- 2.0	- 1.2
Miscellaneous Retail	67.4	69.3	- 1.9	- 2.7
FIN., INS., & REAL ESTATE	152.7	154.9	- 2.2	- 1.4
Depository Institutions	54.0	55.4	- 1.4	- 2.5
Insurance Carriers	27.2	26.6	+ 0.6	+ 2.3
Real Estate	36.4	37.9	- 1.5	- 4.0
SERVICES	730.7	732.2	- 1.5	- 0.2
Hotels & Motels	43.4	44.8	- 1.4	- 3.1
Personal Services	34.5	33.8	+ 0.7	+ 2.1
Business Services	155.6	162.0	- 6.4	- 3.9
Auto Repair & Parking	20.5	21.7	- 1.2	- 5.5
Misc. Repair Services	7.0	8.2	- 1.2	-14.6
Motion Pictures	8.2	8.7	- 0.5	- 5.7
Amusement & Recreation	25.6	24.9	+ 0.7	+ 2.8
Health Services	174.4	166.1	+ 8.3	+ 5.0
Educational Services	38.0	36.4	+ 1.6	+ 4.4
Social Services	42.1	39.7	+ 2.4	+ 6.1
Engineering & Mgt. Svcs.	93.3	95.6	- 2.3	- 2.4
TOTAL GOVERNMENT	580.5	578.4	+ 2.1	+ 0.4
Federal Government	177.2	177.4	- 0.2	- 0.1
State Government	136.5	138.4	- 1.9	- 1.4
Local Government	266.8	262.6	+ 4.2	+ 1.6

in line with demand. Charlottesville, where building activities were off 16.3 percent on an annual basis, sustained the next biggest loss. Only the Bristol area showed improved construction activities in 1991 over 1990 with a 9.7 percent increase.

Manufacturing employment in Virginia averaged 411,200 in 1991, down 3.6 percent or 15,200. Much of the loss was in the first half of the year, as about mid-summer, the state's factories seemed to have gotten their inventory problems under control. Manufacturers then worked a much steadier schedule the last six months of 1991. The mass off-week furloughs, prevalent especially around the holidays the first half of 1991, were largely absent in the waning months of the year. The weak dollar is keeping factory export sales fairly strong, and the market for cost-saving industrial goods seems to be improving. Computer-managed inventories and other efficiencies introduced in the 1980s have helped manufacturing, in general, weather this recession better than some other sectors of the economy.

Durable goods at 198,200 was down 4.3 percent or 8,900. Most of the loss in durable goods was directly or indirectly related to weak markets for houses and autos. Affected industries were lumber and wood (-9.3 percent or 2,300); stone, clay, and glass (-9.0 percent or 1,300); furniture and fixtures (-6.9 percent or 1,600); primary metals (-6.0 percent or 700); electrical equipment (-5.2 percent or 1,800); and fabricated metals (-4.4 percent or 800). Instruments (-5.8 percent or 600) and miscellaneous manufacturing (-3.1 percent or 100) were also down. On the plus side were industrial machinery (+1.3 percent or 300), as businesses bought new cost-saving equipment, and transportation equipment (+0.2 percent or 100).

Transportation equipment, which remained Virginia's largest factory sector at 44,200, saw increases in shipbuilding as yards completed defense contracts let in earlier periods and made repairs on vessels returning from the Persian Gulf. Shipbuilding gains were enough to outweigh losses in motor vehicle assembly and components.

Nondurable goods employment at 213,100 was down 2.9 percent or 6,300. Much of the nondurable decline was centered in inventory adjustment layoffs in the knit goods and home furnishings portions of textiles (-4.7 percent or 1,900) and apparel (-5.1 percent or 1,400) in the first half of the year. Restructurings and the elimination of evening newspapers in several localities reduced printing and publishing 4.5 percent or 1,600. Defense cuts lowered chemicals 3.3 percent or 1,000. Tobacco continued its decline of recent years, being down 2.3 percent or 300. Rubber and plastics (-1.7 percent or 300) suffered from the weak market for autos; and the paper industry was off 1.2 percent or 200. As often happens in recessionary periods, food was the only nondurable to show an increase, being up 1.1 percent or 400.

Trade--Virginia's second largest employing division at 639,000--underwent a major retrenchment and downsizing in 1991 after years of rapid growth. Employment was down 2.8 percent or 18,700. Losses were spread throughout all portions of both wholesaling and retailing with apparel specialty stores (-7.3 percent) and general merchandise department and discount stores (-5.7 percent) registering the largest job losses. Even the previously almost bulletproof food stores (-0.2 percent) and restaurants (-1.2 percent) were down slightly in the total number of jobs. The trade sector in Hampton Roads lost about 5,000 jobs

in late 1990 when the troops left for the Persian Gulf, and few of those jobs returned with the troops in the spring and summer of 1991. The air of uncertainty hanging over Eastern Virginia's defense industry seemed to be making merchants in that part of the state extra cautious about employment expansion.

Finance, insurance, and real estate at 152,700 was down 1.4 percent or 2,200. The job loss was in real estate (-4.0 percent), because of the market collapse, and banks (-2.5 percent), because of mergers and restructuring and the regulatory enforced takeover of the failed savings and loans. In most cases, when banks were forced to take over failed savings and loans, they did not need the duplicity of branches, managers, and computer systems; and the savings and loan employees were often let go. Insurance companies in Virginia expanded their work force by 2.3 percent.

Transportation and public utilities at 147,900 was down 1.1 percent or 1,700. The loss in this category reflected reduced business at air carriers, particularly the first half of the year when people stopped traveling during the Persian Gulf crisis, and the final demise in 1991 of two old line air carriers that had been in financial trouble for some time (Eastern Airlines and Pan Am). There was restructuring and downsizing at both railroads and communications companies. Some of the new communications companies created with deregulation in the late 1980s found they had more staff than was necessary for their current volume of business.

Even services, Virginia's largest employer and the fastest grower for much of the 1980s, turned just barely negative by the end of 1991. Services, at an average 730,700, was down 0.2 percent or 1,500. Pushing

services into the negative column were losses of defense contracts at business services firms (-3.9 percent) and management consultants (-2.4 percent). Most of the job losses were centered at business service specialists located in Northern Virginia. Hotels and motels (-3.1 percent) suffered from overbuilding in the 1980s and the fact that many of Virginia's visitors come from the recession-ravaged Northeast. Repair businesses and theatres also registered losses. The best growth for all types of businesses was registered in health services (+5.0 percent or 8,300) which have continued to add workers right on through the recession. The recession undoubtedly was creating a demand for private social services and charities which expanded staff 6.1 percent or 2,400. Private schools and colleges increased 4.4 percent. Amusement and recreational services expanded 2.8 percent, chiefly reflecting improved business at Tidewater beaches and attractions after a dismal 1990 season.

At 14,200, mining is the state's smallest major employing division, although it is the major employer in five far Southwest Virginia counties. Mine employment continued the gradual decline evident most years since the early 1980s, being down 6.6 percent or 1,000. In 1991, warm weather reduced the demand for coal after record production in 1990. Also, some large mining companies were consolidating operations.

SUMMARY FORECAST FOR 1992-1994

While the recent recession has not as yet produced as high unemployment rates in Virginia as was the case in the 1975 and 1982 recessions, certain groups of workers and areas have been hard hit. White-collar workers--such as bankers, real estate salespeople, architects, engineers, aerospace

scientists, computer specialists, airline personnel, and middle managers--have been displaced from the service-producing industries that had expanded rapidly in the 1980's boom period. Some of this displacement has come about because of corporate mergers, consolidations, buy outs, and bankruptcies. Also, defense cutbacks have taken their toll, especially at Northern Virginia research and consulting firms. Tight state and local budgets have caused the release of government analysts, planners, and educators. These white-collar workers are unaccustomed to being unemployed, and their re-employment process generally takes longer than it does for blue-collar workers.

With this recession impacting white-collar workers more than usual in Richmond, Tidewater, and Northern Virginia, Virginia's three largest urban areas (with their concentrations of headquarters and white-collar employment) have not escaped this recession as they have often done in the past. By contrast, the largely blue-collar western third of Virginia has generally not had the run-up in unemployment that portion

of the state usually experiences in downturns, although a couple of fairly sizable permanent layoffs are scheduled for the highly industrialized Lynchburg area early in 1992. Virginia, like the rest of the country, should be recovering from the recession in 1992. Because of the, as yet, unresolved questions about defense cuts, Virginia may recover more slowly than the nation as a whole.

We expect nonagricultural employment in Virginia will increase from the -2.3 percent annual growth rate in 1991 to annual rates of 1.0 percent in 1992, 1.3 percent in 1993, and 1.1 percent in 1994. These levels of growth will be well below the 4 to 6 percent rates of expansion Virginia enjoyed in the mid-1980s. Services will resume its place as the fastest growing industry; but growth will be considerably more moderate than in the last decade. Unemployment will slowly recede, dropping to average rates of 5.7 percent in 1992, 5.5 percent in 1993, and 5.3 percent in 1994.

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Economist

POPULATION AND HOUSING PROFILE OF VIRGINIA'S METROPOLITAN STATISTICAL AREAS (MSAs)

The Virginia portion of the Washington D.C. MSA, also known as the Northern Virginia MSA, is the largest MSA in Virginia with a population of 1,527,645 or 24.7 percent of the state's population. Virginia's smallest MSA is the Virginia portion of the Johnson City-Kingsport-Bristol MSA, also known as the Bristol MSA, which has a population of 87,517 or 1.4 percent of the state's population.

Due to the military population, there is a larger concentration of males in the Norfolk-Virginia Beach-Newport News MSA than in any other Virginia MSA. Males make up 50.1 percent of the Norfolk-Virginia Beach-Newport News MSA population. The Lynchburg MSA has the highest concentration of females in the state with 52.9 percent.

Hispanics make up 2.6 percent of Virginia's population and account for 6.7 percent of the Northern Virginia MSA population.

Almost one quarter of the state's population, 24.3 percent, is under 18 years of age, while 10.7 percent of the state's population is 65 years or older. The "oldest" MSA is the Bristol MSA whose median age is 37.3 years. The "youngest" MSA is Norfolk-Virginia Beach-Newport News with a median age of 29.7 years.

Just over 73 percent of the state's 18-and-under population lives in MSAs and 64.4 percent of the state's 65 and over population lives in MSAs. The largest number of persons 65-and-over live in the Norfolk-Virginia Beach-Newport News MSA (126,107). But it is the Danville MSA that has the highest percentage of this portion of the population with 16

percent. The Bristol MSA has the smallest number of persons 65 and over with 13,851, but the Northern Virginia MSA has the smallest percentage with only 6.9 percent.

Married-couple families make up 56.8 percent of all of the households in Virginia. The Bristol MSA has the highest percentage of married-couple family households with 62.2 percent. Both the Charlottesville and Richmond-Petersburg MSAs have the lowest percentage of married-couple households with 52.3 percent each.

Male householder families are least common in the Charlottesville and Bristol MSAs where they make up only 2.7 percent of all households. They are most common in the Danville, Norfolk-Virginia Beach-Newport News, and Northern Virginia MSAs where they make up 3.2 percent of all households. Female householder families are least common in the Northern Virginia MSA where they comprise 8.3 percent of all households. They are the most common in the Danville MSA where they comprise 14.1 percent of all households. For the entire state, male householder families make up 3.1 percent of all households and female householder families make up 11.1 percent of all households.

Due to the large student population in Charlottesville, the Charlottesville MSA has the highest percentage of non-family households with 34.8 percent. The lowest percentage of non-family households is 24.9 percent in the Bristol MSA.

The Norfolk-Virginia Beach-Newport News MSA has 2.69 persons per household which is larger than any other MSA. The smallest average household is in the Roanoke MSA where

Population and Housing Profile of Virginia's Metropolitan Statistical Areas: Summary Data

	Virginia	Charlottesville MSA	Danville MSA	Bristol MSA*	Lynchburg MSA	Norfolk- Va. Beach- Newport News MSA	Richmond- Petersburg MSA	Roanoke MSA	Northern Virginia MSA*
TOTAL POPULATION	6,187,358	131,107	108,711	87,517	142,199	1,396,107	865,640	224,477	1,527,645
% of State population	100	2.1	1.8	1.4	2.3	22.6	14.0	3.6	24.7
Male	3,033,974	63,382	51,489	41,713	66,951	699,968	412,255	105,971	760,294
% of Total population	49.0	48.3	47.4	47.7	47.1	50.1	47.6	47.2	49.8
Female	3,153,384	67,725	57,222	45,804	75,248	696,139	453,385	118,506	767,351
% of Total population	51.0	51.7	52.6	52.3	52.9	49.9	52.4	52.8	50.2
RACE / ETHNIC									
White	4,791,739	109,049	73,817	85,351	110,847	947,160	595,714	194,645	1,240,047
% of Total population	77.4	83.2	67.9	97.5	78.0	67.8	68.8	86.7	81.2
Black	1,162,994	18,895	34,350	1,888	30,079	398,093	252,340	27,602	145,797
% of Total population	18.8	14.4	31.6	2.2	21.2	28.5	29.2	12.3	9.5
American Indian	15,282	148	117	59	277	4,679	2,705	281	4,218
% of Total population	0.2	0.1	0.1	0.1	0.2	0.3	0.3	0.1	0.3
Asian / Pacific Islander	159,053	2,623	325	167	743	35,205	11,864	1,602	97,847
% of Total population	2.6	2.0	0.3	0.2	0.5	2.5	1.4	0.7	6.4
Other	58,290	392	102	52	253	10,970	3,017	347	39,736
% of Total population	0.9	0.3	0.1	0.1	0.2	0.8	0.3	0.2	2.6
Hispanic	160,288	1,384	515	276	923	32,329	9,327	1,359	102,489
% of Total population	2.6	1.1	0.5	0.3	0.6	2.3	1.1	0.6	6.7
AGE									
Under 5 years	443,155	8,928	6,859	4,820	9,470	116,708	62,320	13,818	111,377
5 to 17 years	1,061,583	19,527	18,697	14,509	23,634	252,064	148,057	35,656	254,675
18 to 20 years	308,105	10,117	4,493	4,132	9,190	80,056	39,401	9,795	57,724
21 to 24 years	411,626	11,695	5,456	4,633	9,396	112,572	52,184	11,900	100,974
25 to 44 years	2,132,444	44,229	32,519	25,618	42,326	485,666	303,946	72,225	609,174
45 to 54 years	663,332	12,380	12,038	10,642	15,182	1,244,705	90,723	24,733	184,689
55 to 59 years	257,207	5,080	5,389	4,676	6,626	49,796	35,832	10,782	57,660
60 to 64 years	245,436	5,060	5,914	4,636	6,513	48,433	35,433	11,425	46,422
65 to 74 years	400,622	8,254	10,337	8,038	11,246	79,792	58,282	19,519	66,642
75 to 84 years	204,139	4,487	5,434	4,477	6,543	36,342	30,362	10,803	29,637
85 years and over	59,709	1,350	1,575	1,336	2,073	9,973	9,100	3,821	8,671
Median age	32.6	31.1	36.4	37.3	33.8	29.7	33.2	36.4	32.3
Under 18 years	1,504,738	28,455	25,556	19,329	33,104	368,772	210,377	49,474	366,052
% of Total population	24.3	21.7	23.5	22.1	23.3	26.4	24.3	22.0	24.0
65 years and over	664,470	14,091	17,346	13,851	19,862	126,107	97,744	34,143	104,950
% of Total population	10.7	10.7	16.0	15.8	14.0	9.0	11.3	15.2	6.9

	Virginia	Charlottesville MSA	Danville MSA	Bristol MSA*	Lynchburg MSA	Norfolk-Va. Beach-News MSA	Richmond-Petersburg MSA	Roanoke MSA	Northern Virginia MSA*
HOUSEHOLDS									
Total households	2,291,830	48,709	42,325	34,040	52,922	493,536	331,824	89,694	566,979
Family households	1,629,490	31,766	30,681	25,572	37,867	358,161	228,797	62,197	387,128
Married-couple families	1,302,219	25,471	23,384	21,160	29,455	277,293	173,542	49,093	321,927
% of Total households	56.8	52.3	55.2	62.2	55.7	56.2	52.3	54.7	56.8
Other family, male h-holder	72,165	1,319	1,336	930	1,610	15,985	10,084	2,467	17,903
% of Total households	3.1	2.7	3.2	2.7	3.0	3.2	3.0	2.8	3.2
Other family, female h-holder	255,106	4,976	5,961	3,482	6,802	64,883	45,171	10,637	47,298
% of Total households	11.1	10.2	14.1	10.2	12.9	13.1	13.6	11.9	8.3
Nonfamily households	662,340	16,943	11,644	8,468	15,055	135,375	103,027	27,497	179,851
% of Total households	28.9	34.8	27.5	24.9	28.4	27.4	31.0	30.7	31.7
Persons living in households	5,978,058	122,450	106,929	85,328	133,623	1,329,407	838,365	217,651	1,499,529
Persons per household	2.61	2.51	2.53	2.51	2.52	2.69	2.53	2.43	2.64
GROUP QUARTERS									
Persons living in G.Q.	209,300	8,657	1,782	2,189	8,576	66,700	27,275	6,826	28,116
Institutionalized persons	84,292	2,206	1,254	1,294	2,920	13,498	16,401	4,375	14,222
Other persons in G.Q.	125,008	6,451	528	895	5,656	53,202	10,874	2,451	13,894
TOTAL HOUSING UNITS									
% of State Housing Units	2,496,334	51,932	46,158	37,360	56,839	537,101	355,207	95,467	604,114
	100	2.1	1.8	1.5	2.3	21.5	14.2	3.8	24.2
VALUE									
Spec. Owner-occupied units	1,192,077	21,709	20,926	16,639	27,220	253,311	186,158	51,697	305,487
Less than \$50,000	206,663	2,606	11,227	8,626	10,316	19,857	28,547	13,636	1,546
\$50,000 to \$99,999	466,155	9,473	8,326	6,668	13,683	147,034	103,166	27,975	15,959
\$100,000 to \$149,999	203,911	5,038	927	962	2,175	53,069	32,713	6,287	63,944
\$150,000 to \$199,999	132,759	2,312	286	236	617	18,449	11,740	2,157	82,350
\$200,000 to \$299,999	116,547	1,339	129	108	299	9,902	6,544	1,259	88,644
\$300,000 or more	66,042	941	31	39	130	5,000	3,448	383	53,044
Median value	\$91,000	\$93,800	\$47,900	N/A**	\$58,400	\$87,000	\$79,300	\$67,700	N/A**
CONTRACT RENT									
Spec. Renter-occupied units	698,751	17,498	10,898	6,818	14,784	189,886	108,335	27,062	192,835
Less than \$250	150,635	2,456	7,821	4,386	6,453	30,657	22,726	8,389	6,829
\$250 to \$499	297,353	10,285	3,006	2,228	7,683	117,731	64,697	17,313	17,183
\$500 to \$749	165,383	3,911	55	123	366	36,653	18,471	1,138	94,305
\$750 to \$999	60,428	606	3	35	142	3,210	1,379	84	53,395
\$1,000 or more	24,952	260	13	46	140	1,635	1,062	138	21,123
Median contract rent	\$411	\$415	\$193	N/A**	\$266	\$398	\$375	\$301	N/A**

* Data for the Bristol and Northern Virginia MSAs are given for the Virginia portions of these MSAs.

** Median home value and median contract rent data are not available for the Virginia portions of the Bristol and Northern Virginia MSAs.

Virginia State Data Center, 1992

there are 2.43 persons per household. The average household size for all of Virginia is 2.61 persons.

Nearly 72 percent of all housing units are in MSAs and 72.5 percent of all Virginia residents live in MSAs.

The median home value for Virginia is \$91,000. The MSA with the lowest median home value is Danville with \$47,900; and the MSA with the highest median home value is Charlottesville with \$93,800. The median contract rent in Virginia is \$411. The Danville MSA has the lowest median

contract rent with \$193; and the Charlottesville MSA has the highest with \$415. Median home value and median contract rent are not available for the Bristol and Northern Virginia MSAs.

The data for this profile are from Summary Tape File 1A of the 1990 Census.

Kirsten Niemann
Economist

HISTORICAL SUMMARY

Performance of Indicators Over the Business Cycle

GENERAL INFORMATION: For those interested in studying the business cycle in Virginia, this publication includes several of the economic time series for which data is readily available on a monthly basis. From time to time, new series will be added and, if necessary, others presently included will be discontinued.

Business Cycle Turning Points

The shaded spaces on the charts represent the 1980 and 1981-82 recessions as designated by the National Bureau of Economic Research (NBER). The beginning of a recession is defined as the month when aggregate economic activity in the U.S. reaches a cyclical high, from which it begins to turn down, and the end as the month when it reaches a cyclical low, from which it begins to turn up. According to NBER, the 1980 recession began in January 1980 and ended in July 1980, and the 1981-82 recession began in July 1981 and ended in November 1982. The NBER has not yet officially designated the current recessionary period.

Seasonal Adjustment

To correlate changes in a time series and changes in the business cycle it is desirable to eliminate, insofar as possible, the effect of irrelevant factors

from the data comprising the series. All series currently published in Indicators have been adjusted to minimize regular seasonal fluctuations in the data in order to show only activity related to the business cycle.

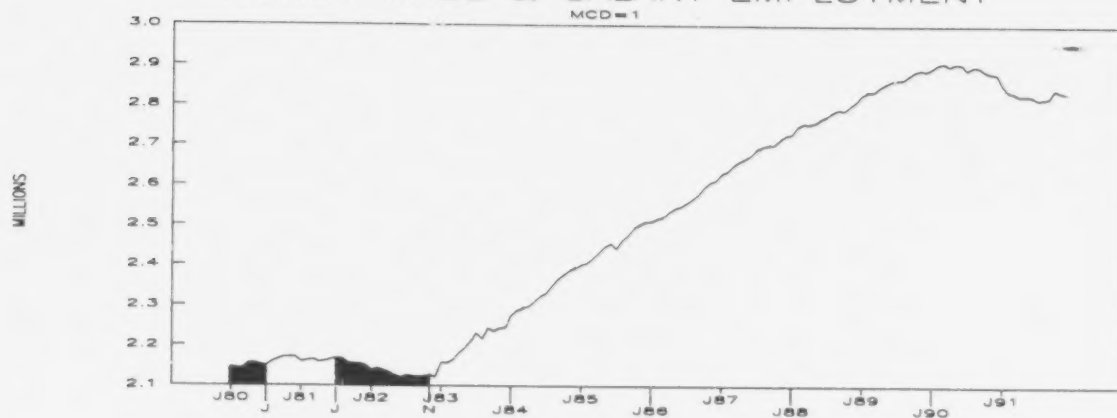
Months for Cyclical Dominance (MCD)

After seasonal adjustment there often remains a significant degree of purely random change, the effect of which can be minimized with a moving average equal in length to the MCD of the series. The MCD is an estimate of the length of the moving average which will reveal the cyclical pattern among the welter of random fluctuations in the data--the greater the MCD the more random and less cyclically significant are monthly changes in the series. Where noted, charts of historical data in this publication represent seasonally adjusted figures which have been averaged according to the MCD of each series.

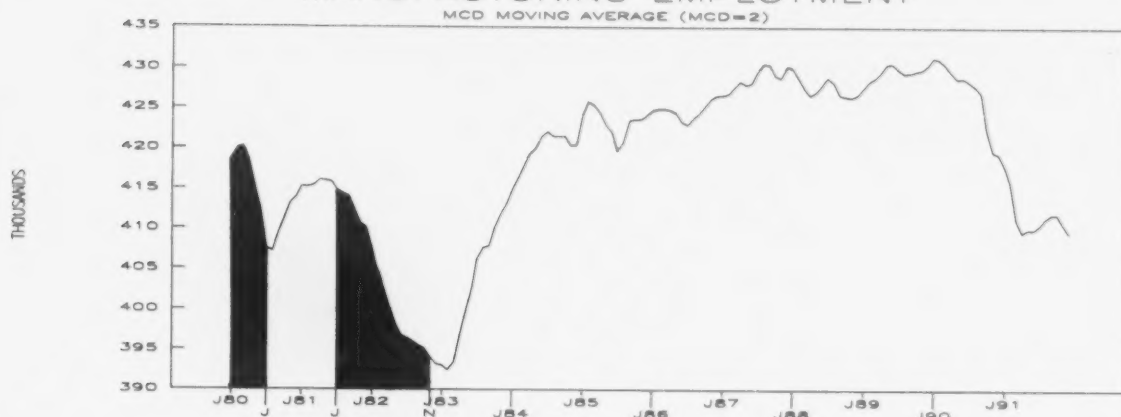
Data Sources

Nonagricultural Wage and Salary Employment.....	Virginia Employment Commission (VEC)
Manufacturing Employment.....	VEC
Total Unemployment Rate.....	VEC
Average Weekly Initial Claims.....	VEC
Insured Unemployment Rate.....	VEC
Unemployment Insurance Final Payments.....	VEC
Average Manhours.....	VEC
Average Hourly Earnings.....	VEC
Average Hourly Earnings/CPI.....	VEC
Average Workweek.....	VEC
Average Weekly Earnings.....	VEC
Average Weekly Earnings/CPI.....	VEC
New Business Incorporations.....	Virginia State Corporation Commission
Valuation of Building Permits - 18 Cities.....	Local Building Inspectors
New Vehicle Registrations.....	Virginia State Department of Motor Vehicles
Electrical Power Sales.....	Virginia Power, Appalachian Power Co., Delmarva Electric Co., Tennessee Power Company
Taxable Retail Sales.....	Virginia State Department of Taxation
Taxable Retail Sales/CPI.....	Virginia State Department of Taxation

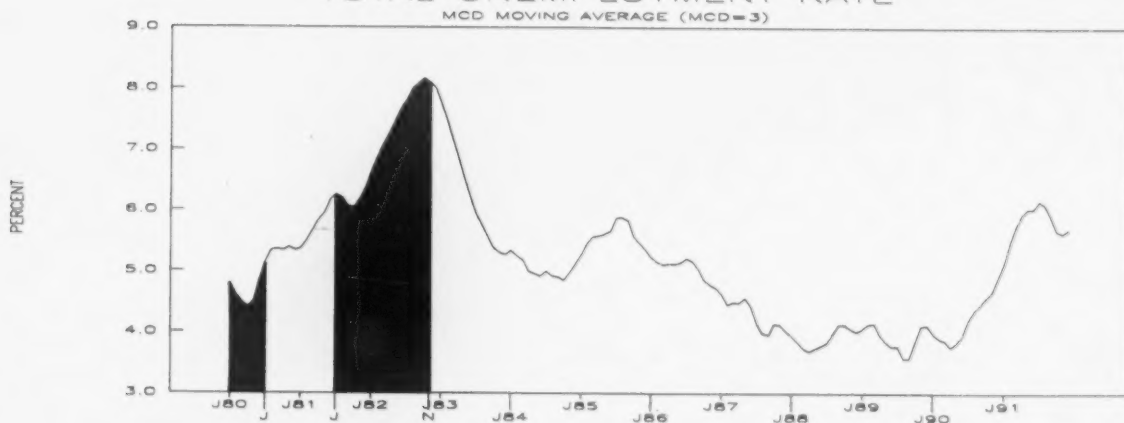
NONAG WAGE & SALARY EMPLOYMENT



MANUFACTURING EMPLOYMENT

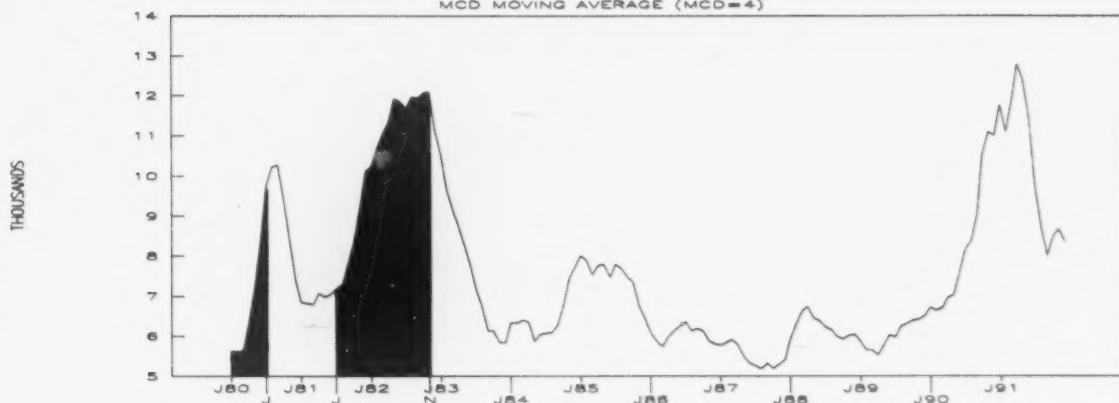


TOTAL UNEMPLOYMENT RATE



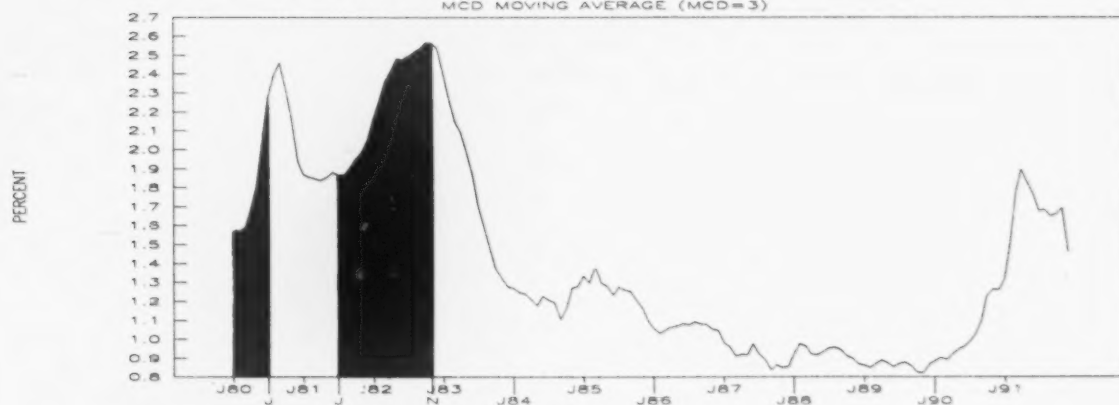
AVERAGE WEEKLY INITIAL CLAIMS

MCD MOVING AVERAGE (MCD=4)



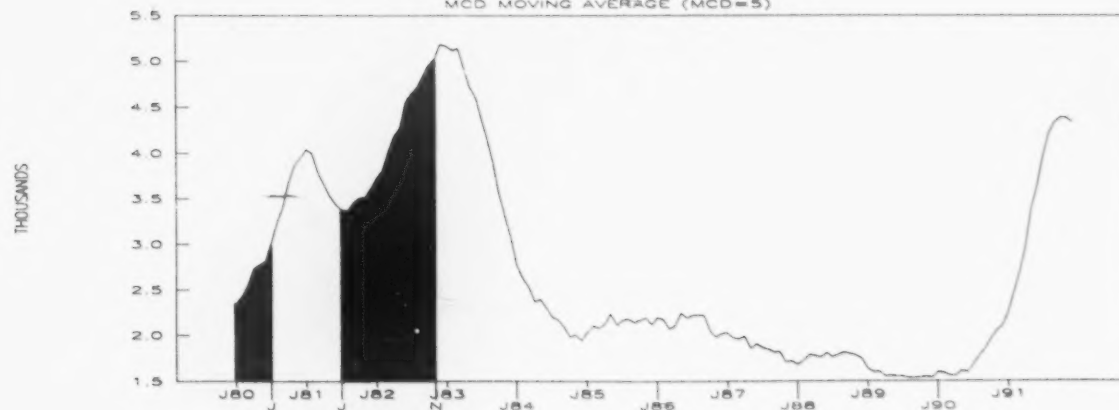
INSURED UNEMPLOYMENT RATE

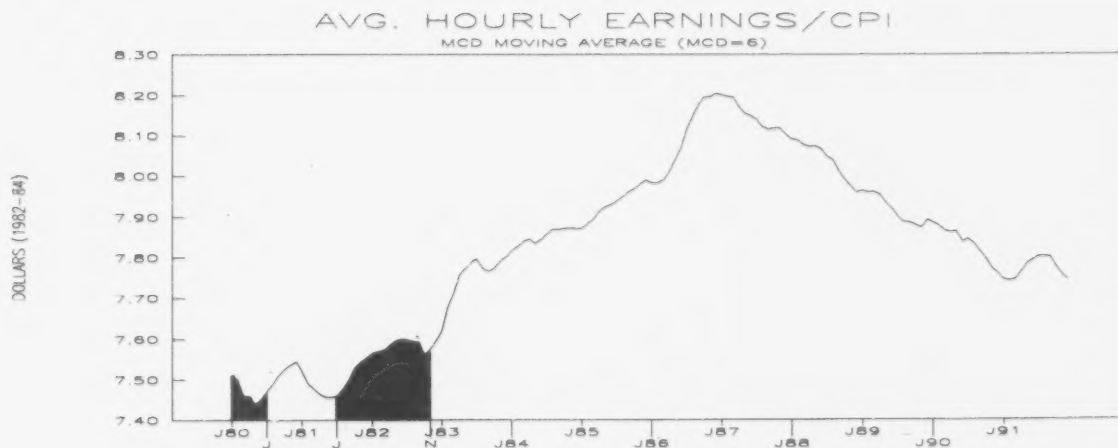
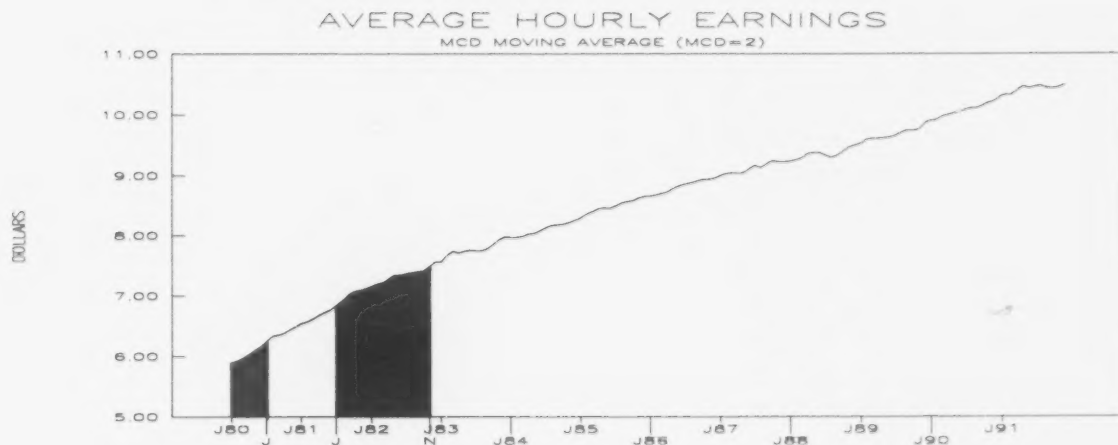
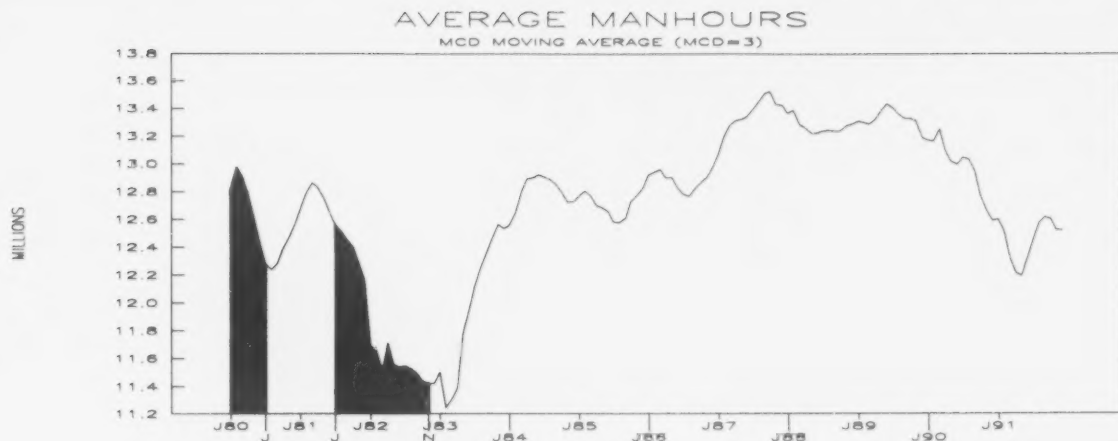
MCD MOVING AVERAGE (MCD=3)

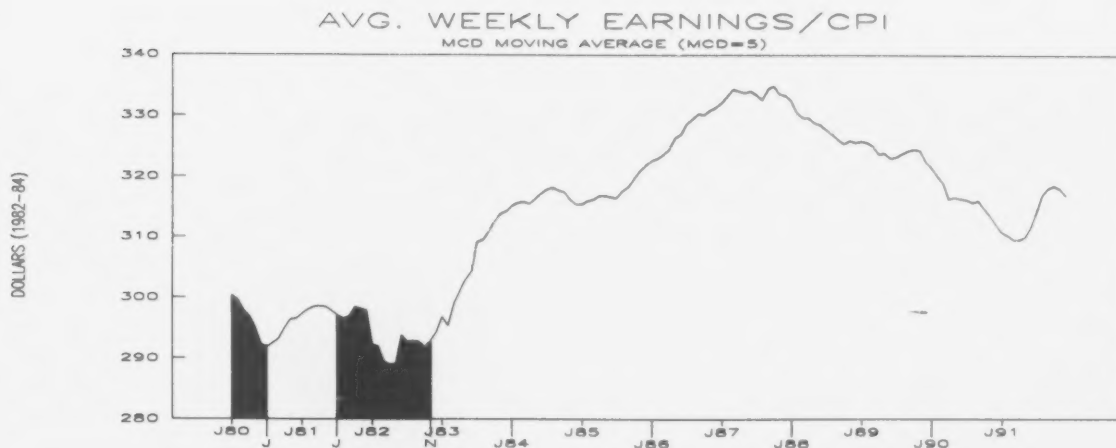
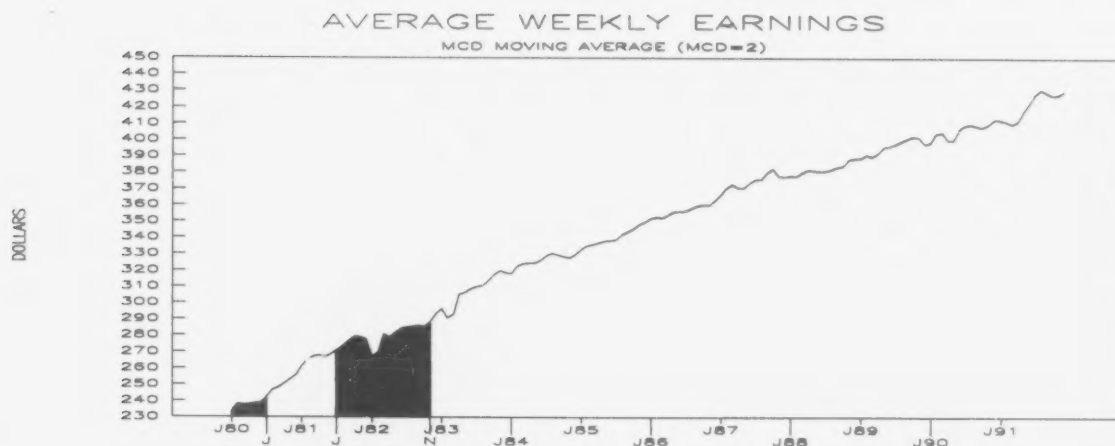
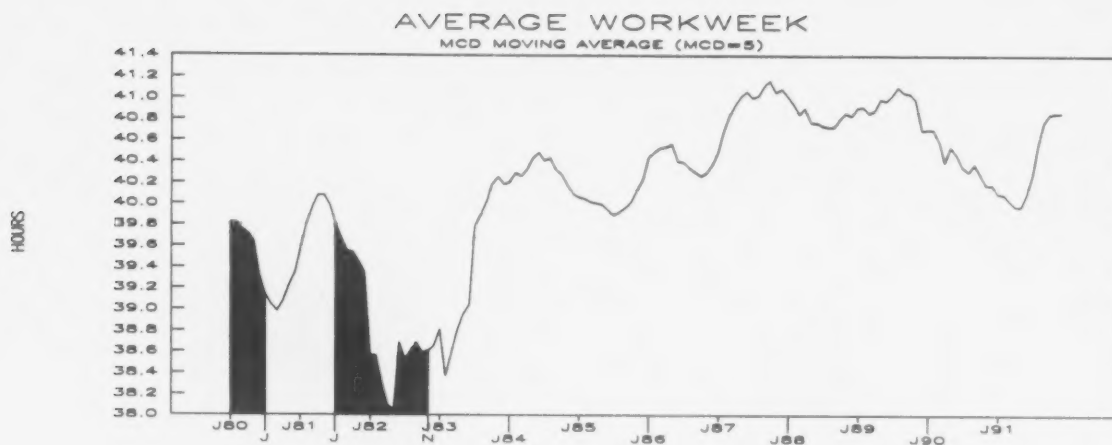


U. I. FINAL PAYMENTS

MCD MOVING AVERAGE (MCD=5)

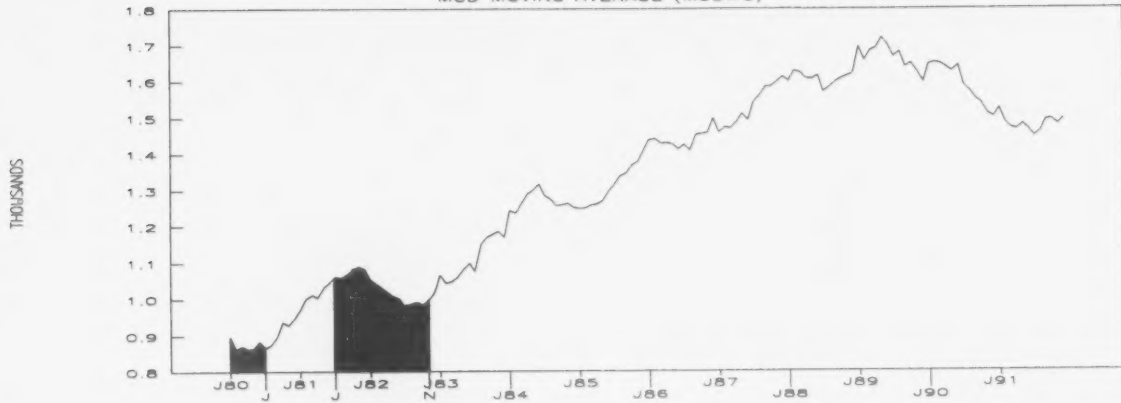






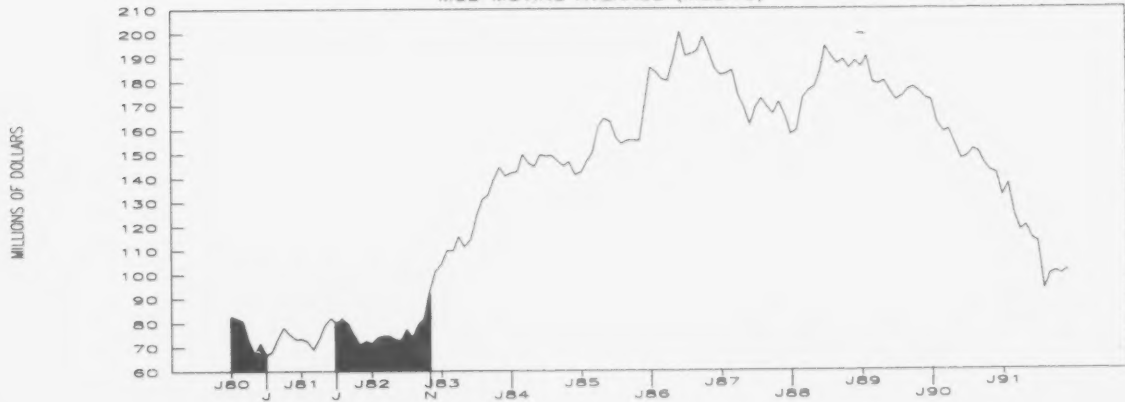
NEW BUSINESS INCORPORATIONS

MCD MOVING AVERAGE (MCD=6)



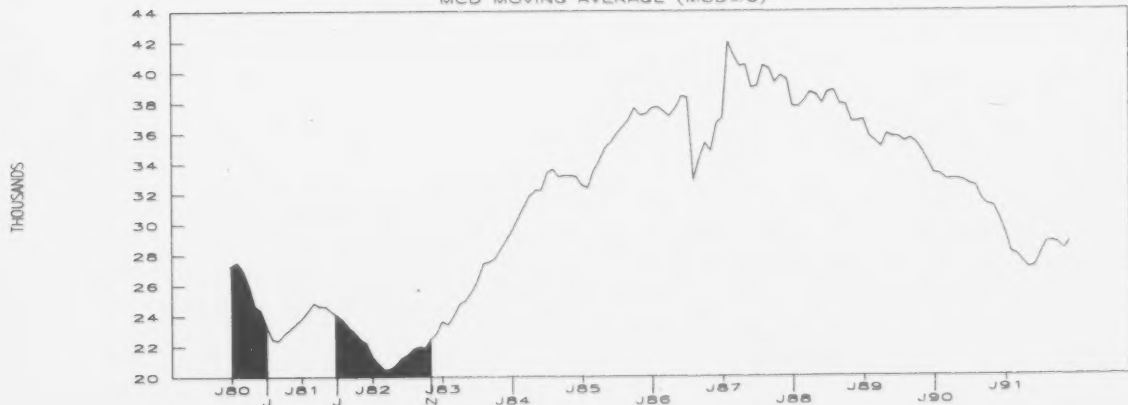
VALUATION OF BUILDING PERMITS

MCD MOVING AVERAGE (MCD=6)



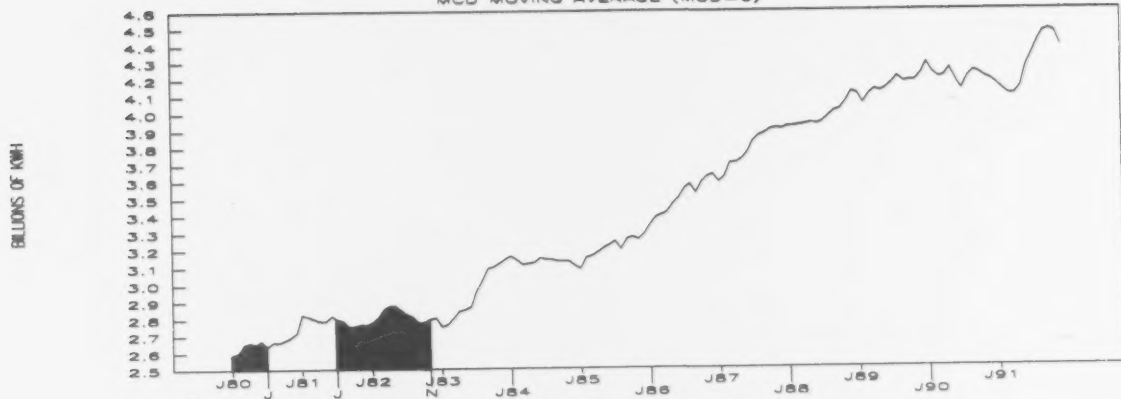
NEW VEHICLE REGISTRATIONS

MCD MOVING AVERAGE (MCD=6)



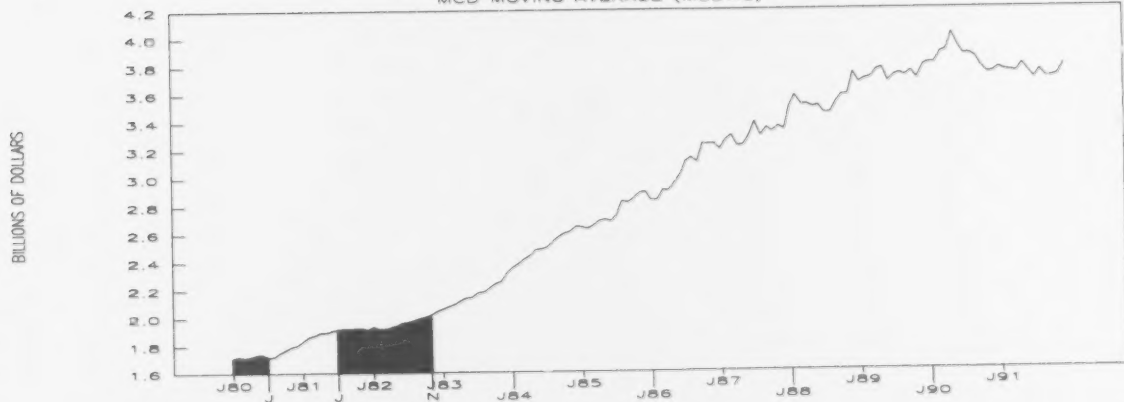
ELECTRICAL POWER SALES

MCD MOVING AVERAGE (MCD=6)



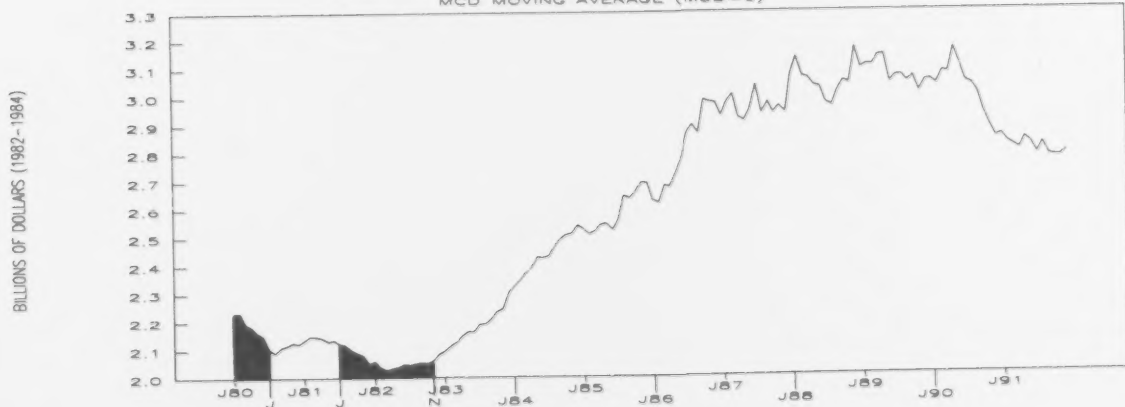
TAXABLE RETAIL SALES

MCD MOVING AVERAGE (MCD=6)



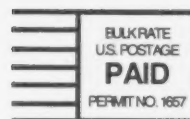
TAXABLE RETAIL SALES/CPI

MCD MOVING AVERAGE (MCD=6)



*Virginia Employment Commission
Economic Information Services Division
Post Office Box 1358
Richmond, Virginia 23211-1358*

ADDRESS CORRECTION REQUESTED

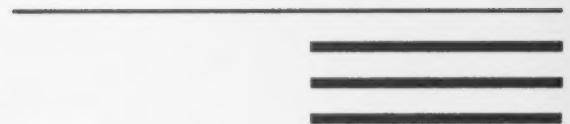


Virginia Employment Commission

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Economic Indicators

1st Quarter 1992 Data, Volume 24, No. 1



Foreword

For those who are interested in studying the business cycle, the *Economic Indicators* publication is designed to depict the movement of the key economic indicator series readily available in Virginia. Most of these series are published elsewhere; but here, they are brought together in both graphic and tabular form, under one cover, and grouped so that they may be analyzed and interpreted easily.

Ten of the fifteen series currently used—the two employment series, the four unemployment series, and the four hours and earnings series—are produced in-house by the Economic Information Services Division of the Virginia Employment Commission and are comparable to similar national series produced by the U.S. Department of Labor. The five business indicators are provided by sources outside of the agency (see the Historical Summary at the back of this publication for data sources) and should prove useful to the student of business cycle development in Virginia.

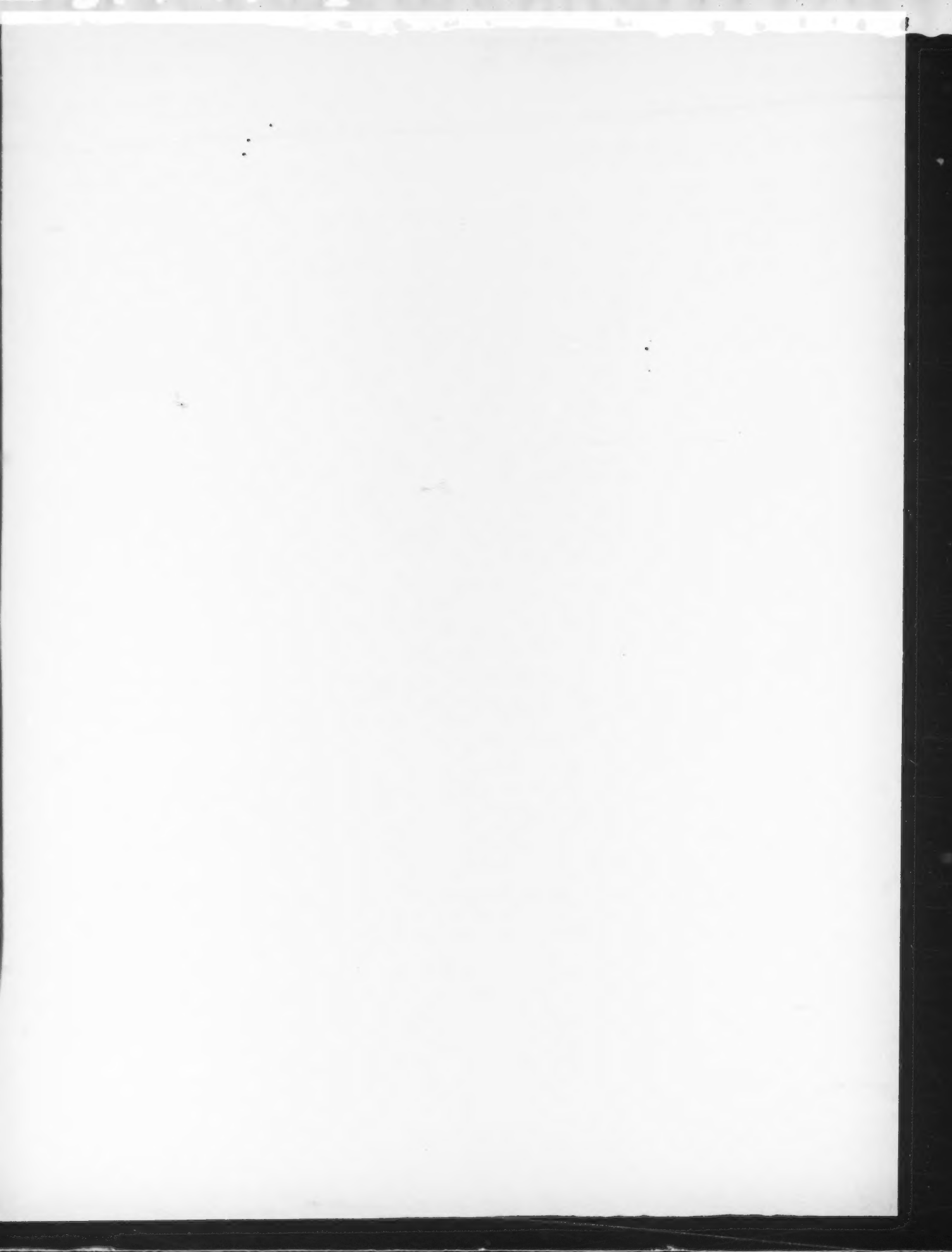
All series currently published in the *Indicators* have been seasonally adjusted to minimize regular seasonal fluctuations in the data in order to show only activity related to the business cycle. The *Economic Indicators* is currently the only seasonally adjusted publication of some of the Virginia series.

From time to time, new series will be added to this report as the data becomes available and is collected and tested. Also, series presently provided, if necessary, may be discontinued. Historical data for the current series is published in the back of the fourth quarter issue for each year.

This publication provides a narrative analysis update of the U.S. economy, highlights of the current economy, and a narrative analysis of recent changes in Virginia. Virginia's leading and coincident indexes are included. Also, feature articles dealing with some currently important aspects of the Virginia economy are presented. Feature articles are written in-house or by guest authors knowledgeable on particular economics-related subjects.

This publication is produced quarterly in January, April, July, and October, but data in the series is provided on a monthly basis. There is a time lag of at least one quarter before all the data series are available for publication and analysis.

We welcome any comments, suggestions, or questions concerning Virginia *Economic Indicators*. Please address your comments to: Dolores A. Esser, director, Economic Information Services Division, Virginia Employment Commission, P.O. Box 1358, Richmond, Virginia 23211. For additional information or explanation of the contents of this document, you may contact Economic/Operations Research at (804) 786-5669. Our Telephone Device for the Deaf (TDD) number is (804) 371-8050.



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U.S. Economic Outlook

Forecast Update by William Mezger, Economist

The on-again,
off-again
economy!

First Quarter
1992 provided a
pleasant surprise
of 2.7 percent
growth, but
things seemed
to falter again
in Second
Quarter 1992.

First Quarter 1992 provided a pleasant surprise—for a change. The U.S. economy was performing better than most forecasters had expected.

- The weak recovery that had begun in Third Quarter 1991 almost stalled out in Fourth Quarter 1991 with puny growth of only 0.4 percent in Gross Domestic Product (GDP).
- The fourth quarter's poor performance, lackluster holiday sales, bad corporate profit figures for 1991, and election rhetoric in the early presidential primaries led most forecasters to expect the worst for First Quarter 1992—zero growth was about the best that was hoped for, and some predictions were for as much as 1.5 negative growth.
- Many of the positive forces we have been talking about in the last couple of issues of *Economic Indicators*, such as the lowest interest rates in 20 years, low inflation, and improved export sales of U.S. made goods, were all beginning to impact on the economy in First Quarter 1992.
- Led by a spurt in housing starts, First Quarter 1992's performance was much stronger than expected. The first estimate was 2.0 growth; and things got even better with the revisions—first 2.4 percent, then 2.7 percent growth—for the best single quarter in three years.

The joy over first quarter estimates seemed to be short-lived, however, as the

fragile recovery appeared to start faltering again in Second Quarter 1992.

- Housing starts, which had been First Quarter 1992's star performer, nose-dived in April and May.
- Weak employment numbers in May and June caused a rapid run-up in the national unemployment rate with the June jobless rate skyrocketing to 7.8 percent, the highest level in ten years.
- Factory orders also began to sag badly.
- In light of the above figures, the Federal Reserve further lowered interest rates in early July to prop up the seemingly sagging economy.

There still seems to be evidence the recovery will continue, but it likely will be a weak, faltering recovery with both some good and bad numbers to come. GDP is now expected to grow 2.0 percent in Second Quarter 1992 and be around the 2.5 percent mark the remainder of the year. Growth will likely be just under 3.0 percent in 1993 and 1994—well under the 4.0 to 5.0 percent growth pattern of the early years of previous post-war recoveries.

- Continuing defense cuts (with the end of the Cold War) will remain a definite drag on the economy, hitting some defense-oriented areas of the country particularly hard.
- Just-in-time inventory practices adopted during the recession and automation to cut costs have put a lid on growth in manufacturing employment.

U.S. Economic Outlook *(continued)*

- While residential building likely will recover, an excess supply of commercial real estate remains in many metropolitan areas.
- Although the situation is improving, the real estate surplus of the last recession has significantly weakened financial institutions, causing them to be much more cautious and selective about making loans.
- Over-borrowing and the bankruptcies of some major retailers all but assure that the unbridled growth of retail employment of the late 1980s is not likely to reappear.
- Unemployment, always a lagging economic indicator, was still increasing in Second Quarter 1992; and it will just take time to absorb the excess of unemployed people into new jobs. Unemployment nationally is likely to average 7.5 percent in 1992 versus 6.8 percent in 1991 at the height of the recession.

With the slow-to-improve job picture, business investors taking advantage of higher profits and the low interest rates are more likely to lead this recovery than consumers. The consumer is still fairly unwilling to become burdened with new debt.

Alternate forecasts:

- Just above stagnation—about 1.0 percent growth with employment gains limited almost entirely to the services sector (probability 25 percent).
- A recovery closer to post-war norms (probability 15 percent). Companies create new jobs at a faster pace than expected because of improved profits, and the demand for cars and other big-ticket items leaps ahead.

July 10, 1992

Virginia Highlights

First Quarter 1992

The hours and earnings series were the most positive indicators in the first quarter.

The Virginia economy, like the national economy, responded to the pessimistic news at the end of 1991 and remained in the doldrums in First Quarter 1992. Stalled employment numbers and jobless claimants left over from 1991 layoffs were responsible for the lackluster first quarter performance.

- The recovery was most evident in Virginia's medium-sized and smaller areas where manufacturing was picking up. Virginia's three largest metropolitan areas, which have not yet seen much in the way of recovery, were tending to retard statewide growth figures.
- The hours and earnings series continued to be the most positive in First Quarter 1992, mirroring the improving manufacturing sector. Two wage series even managed to set new records:
 - ▲ Average hourly earnings of production workers rose \$.08 to a new high of \$10.65 in March.
 - ▲ Average weekly factory earnings rose \$7.75 in March to a record \$437.87.
- While not all-time records:
 - ▲ The length of the production workweek was at a 29-month high of 41.2 hours in March.
 - ▲ January's new business incorporations at 1,615 were the highest in 20 months.
 - ▲ Building permits issued at \$147.3 million in February were the best in a year.
- The Consumer Price Index for the United States for All Urban Consumers (CPI-U) averaged 138.7 (1982-84 = 100) in First Quarter 1992. This was 0.7 percent higher than the 137.7 average of Fourth Quarter 1991. The First Quarter 1992 average was 2.9 percent higher than the First Quarter 1991 average of 134.8, indicating that inflation was still well in check.
- According to the Bureau of Labor Statistics (BLS) of the U.S. Department of Labor, productivity in U.S. businesses outside of agriculture rose at a 2.7 percent annual rate, seasonally adjusted, during First Quarter 1992. It was the biggest productivity gain since Second Quarter 1990. BLS says the rise was caused by businesses increasing their output using fewer worker hours. While the productivity gains were greater than in recent quarters and the unit labor cost data more favorable, analysts say this is typical of a recovery and probably not the beginning of a new trend.
- According to the Energy Information Administration of the U.S. Department of Energy, Virginia First Quarter 1992 coal production at 10,940,000 short tons was 4.7 percent below the 11,483,000 short tons mined in First Quarter 1991. Moderate oil prices and another mild winter continued to hurt coal demand.

Virginia Indicators

First Quarter Data

By William Mezger, Economist

Series still
marking time in
first quarter.

The Virginia economy, like the national economy, seemed to sink back into the doldrums because of all the pessimistic news at the end of 1991. Keeping the Virginia economic indicators stalled in the first months of 1992 were the dormant employment series and the delayed run-up in unemployment from layoffs that had occurred in 1991. The hours and earnings of those workers still on payrolls were the most positive indicator series again this quarter. Average hourly earnings and average weekly wages even managed to set new records in March.

January saw six of the fifteen series used to measure the Virginia economy down, six unchanged, and three up. February and March were only slightly better with six series up, six unchanged, and three down in February and seven series up, four unchanged, and four down in March.

The six-month moving average of rising indicators (page 18) serves to illustrate the quarter's performance. The moving average enhances analysis because it smoothes out much of the irregularity present in many of the individual series.

In the summer of 1992, the economic recovery seems to be taking place at different paces in different communities across Virginia. Ironically, the areas that historically bear the brunt of recession in Virginia—the medium-sized metro areas and the smaller towns of the Southside and Valley—appear to have received only a glancing blow from this recession, and most seem clearly now on the road to recovery. Virginia manufacturing firms,

aside from the significant transportation equipment sector which includes shipbuilding and autos, have been adding jobs since late 1991. Many Southside and Valley communities have high concentrations of factory employment. All five major textile mill centers of the Southside—Emporia, South Boston, Danville, Martinsville, and Galax—have seen improved employment numbers in 1992 and substantially reduced unemployment from last year. Unemployment rates were generally above the state average in a number of Southwest Virginia communities at the start of the recession, but they did not rise significantly in 1991 and in 1992 have fallen below last year. Roanoke has expanded its role as a trade, commerce, and health care center for the western third of Virginia and has barely noticed a recession was going on.

The three large urban corridor metropolitan areas in the Eastern part of Virginia have felt this recession more severely than past post-war downturns. This recession has been largely centered in white-collar home office complexes, high-tech defense contractors, and the speculative real estate industry—all of which expanded rapidly in those areas in the 1980s. These three big urban centers are currently responsible for holding back the statewide numbers. There appears, however, to be light at the end of the tunnel. Northern Virginia seems to be on the verge of a turnaround and is now posting much smaller annual monthly job losses than a year earlier. Hampton Roads has seen new growth in its trade and service industries in 1992, but the as

The recovery is most evident in the medium-sized metro areas and smaller towns of the Southside and Valley.

yet unresolved defense question is a cloud over future Tidewater expansion. The Richmond economy still remains sluggish from recent retail trade, communications, and transportation cutbacks.

Dormant Employment Series and Unemployment Backlog from 1991 Keep Indicators Series in First Quarter Doldrums

Both employment-based series, nonagricultural wage and salary employment and manufacturing employment, remained stalled throughout First Quarter 1992. There were actually slight net losses in both series, but these were not great enough to affect our direction of change tables on pages 18 and 19. Restructuring and downsizing layoffs still occurring in retailing, communications, transportation equipment, and metals were enough to offset re-emerging growth in services, government, and textiles.

A backlog of unemployed workers from layoffs in 1991 were just coming into claimant status in First Quarter 1992 because of severance pay settlements. These delayed filers caused run-ups in most of the unemployment-related indicators. The total unemployment rate climbed to 6.5 percent on a seasonally adjusted basis in January (the highest level since 1983) and remained there for the rest of the quarter. Average initial claims rose in both January and February, but peaked at 8,425 in February, only two-thirds the 12,754 March peak of the winter of 1991. The insured unemployment rate climbed from 1.2 percent in December to 1.5 percent in January and also stalled out there for the rest of the quarter. Unemployment insurance final payments increased 2.4 percent to 4,654 in January (the highest level recorded so far in this recession), fell 17.3 percent to 3,848 in February, then rose again 5.2 percent to 4,047 in March.

Final payments generally reflect new claims filings six months earlier.

The hours and earnings series were relatively inactive in January and February but turned positive in March—setting two records. Both of the hours-worked series, average weekly hours and average manhours, were virtually unchanged in January and February but picked up in March. Average weekly hours rose to a respectable 41.2 hours in March, the longest in 29 months. Average hourly earnings were little changed in January (-\$.04), rose \$.09 in February, and were up \$.08 to a new record \$10.65 in March. Average weekly earnings were down \$2.49 in January, rose \$3.06 in February, then climbed \$7.75 to a new high of \$437.87 in March. The economy's chief strength at the present time seems to be in the hours and earnings series.

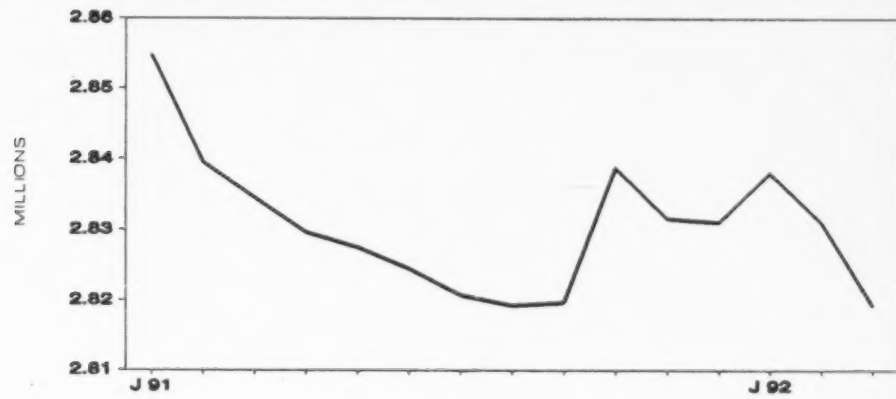
The fairly volatile business-related series ran counter to the other series groups—they were mostly positive in January and February, but turned negative in March. New business incorporations rose 9.4 percent in January to 1,615 (the highest level in 20 months), fell back below the December level in February, then gained back one-half of February's loss, ending the quarter at 1,519 in March. Valuations of building permits issued rose in January and February, reaching \$147.3 million in February (the highest level in a year). Building permits fell 24.9 percent to \$110.6 million in March. New vehicle registrations fell 9.0 percent to 27,817 in January, rose 3.2 percent to 28,720 in February, then dropped 4.1 percent to 27,529 in March. There still seemed to be no clear revival in auto sales. Electric power usage was unchanged in January, rose slightly in February, then dropped 6.6 percent to 4,118 million kilowatt hours in March. The mild winter was a factor in the electrical power usage figures. Taxable retail sales rose 9.8 percent in January, fell 22.5 percent in February, then gained back 17.5 percent in March to finish the quarter at \$3,932 million—almost the December level.

Employment Indicators

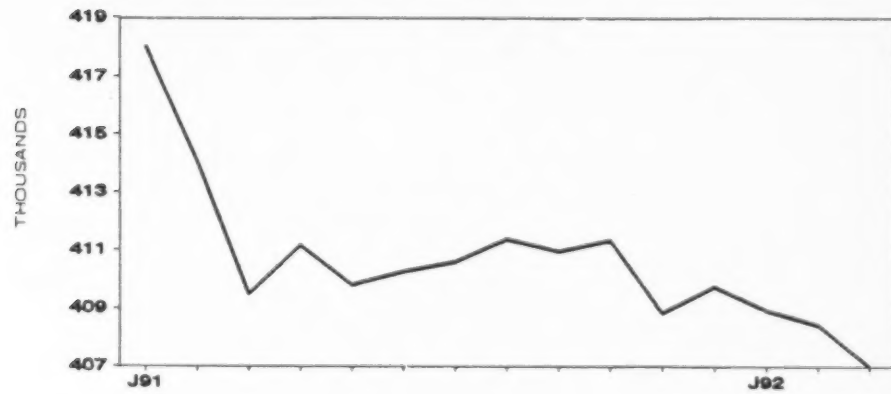
1991	Nonagricultural Wage and Salary Employment* (Thousands)		Manufacturing Employment* (Thousands)		Total Unemployment Rate* (Percent)	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
January	2,803.8	2,854.8	414.9	418.0	5.9	5.4
February	2,792.0	2,839.6	411.2	414.1	6.5	5.8
March	2,807.8	2,834.5	406.4	409.5	6.3	6.0
April	2,815.5	2,829.7	408.4	411.2	5.7	6.0
May	2,838.8	2,827.5	408.3	409.8	6.0	6.1
June	2,861.5	2,824.5	412.0	410.3	6.2	6.0
July	2,823.3	2,820.7	410.5	410.6	6.1	6.4
August	2,820.6	2,819.3	413.6	411.4	5.5	5.9
September	2,838.9	2,819.7	414.1	411.0	5.3	5.4
October	2,852.9	2,838.8	414.2	411.3	5.3	5.7
November	2,856.8	2,831.6	410.8	408.9	5.8	5.8
December	2,854.4	2,831.1	410.5	409.7	5.5	5.6
1992						
January	2,787.2	2,838.0	405.9	408.9	7.2	6.5
February	2,783.8	2,831.0	405.6	408.4	7.3	6.5
March	2,792.7	2,819.3	403.9	407.0	6.8	6.5

*These series have been adjusted to First Quarter 1991 benchmarks.

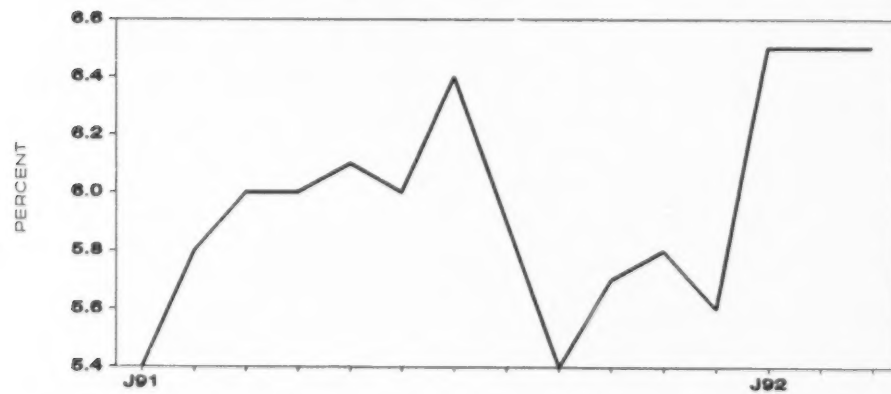
Nonagricultural Wage & Salary Employment



Manufacturing Employment



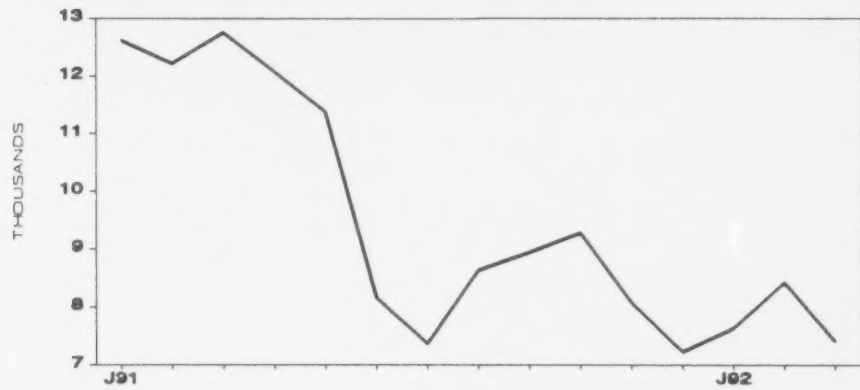
Total Unemployment Rate



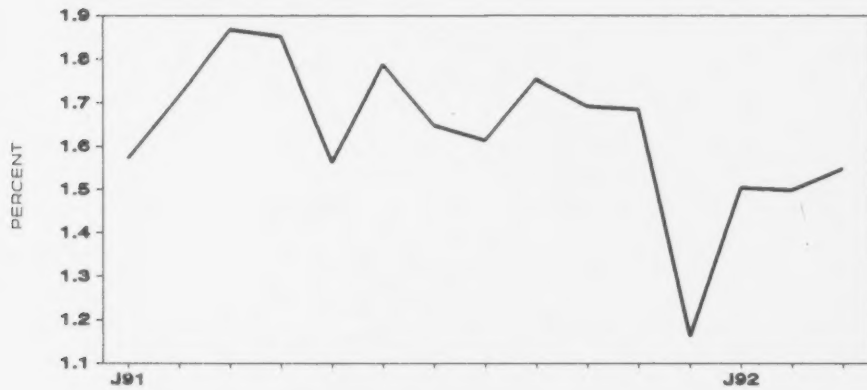
Unemployment Insurance Indicators

<i>1991</i>	<i>Average Weekly Initial Claims</i>		<i>Average Weekly Insured Unemployment (Percent)</i>		<i>Unemployment Insurance Finals Payments</i>	
	<i>Unadjusted</i>	<i>Adjusted</i>	<i>Unadjusted</i>	<i>Adjusted</i>	<i>Unadjusted</i>	<i>Adjusted</i>
January	21,322	12,612	2.3	1.6	2,746	2,769
February	11,970	12,221	2.4	1.7	2,989	3,068
March	12,353	12,754	2.4	1.9	3,993	3,312
April	9,782	12,079	2.0	1.9	4,629	3,671
May	7,777	11,387	1.3	1.6	4,939	4,039
June	7,413	8,156	1.5	1.8	4,303	3,984
July	7,358	7,372	1.6	1.6	4,970	4,461
August	5,367	8,631	1.3	1.6	4,353	4,437
September	5,311	8,937	1.3	1.8	3,520	4,331
October	6,905	9,285	1.2	1.7	3,666	4,453
November	7,891	8,076	1.4	1.7	3,072	4,177
December	14,644	7,227	1.2	1.2	3,603	4,544
<i>1992</i>						
January	12,914	7,637	2.2	1.5	4,614	4,654
February	8,189	8,425	2.1	1.5	3,744	3,848
March	7,206	7,412	2.0	1.5	4,870	4,047

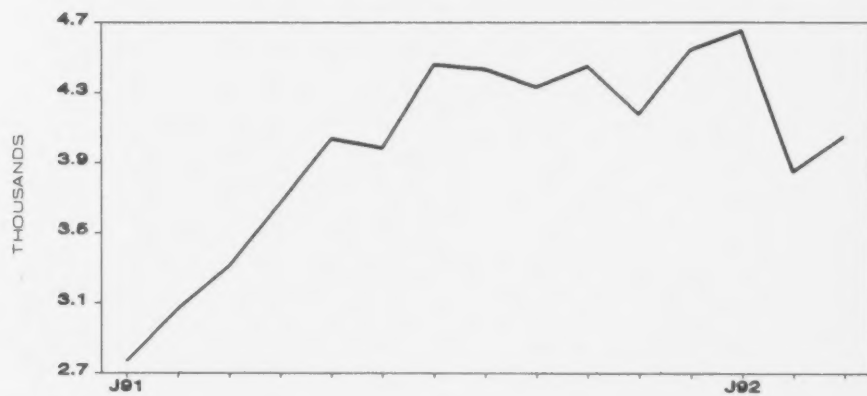
Average Weekly Initial Claims



Average Weekly Insured Unemployment



Unemployment Insurance Final Payments

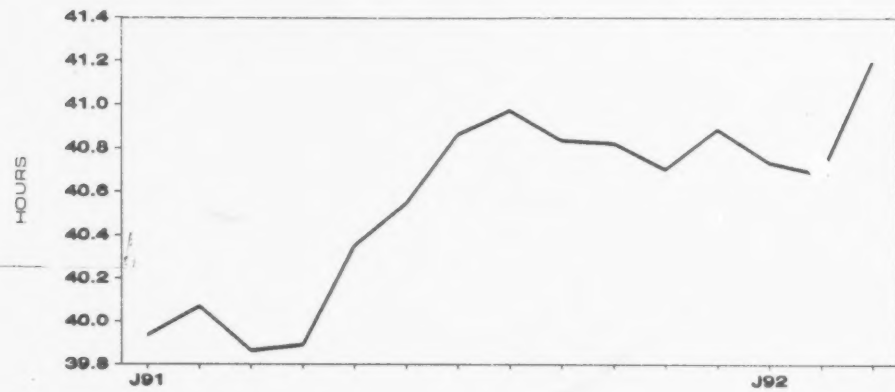


Manufacturing Production Worker Indicators

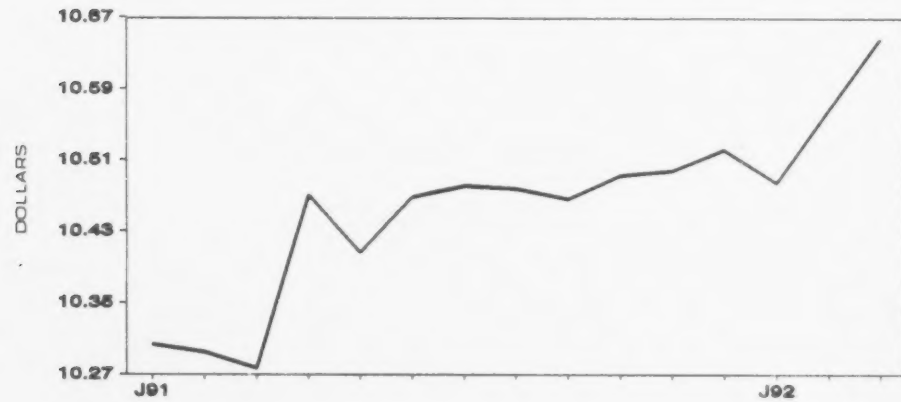
<i>1991</i>	<i>Average Weekly Hours*</i>		<i>Average Hourly Earnings* (Dollars)</i>		<i>Deflated Average Hourly Earnings* (1982-84 Dollars)</i>	
	<i>Unadjusted</i>	<i>Adjusted</i>	<i>Unadjusted</i>	<i>Adjusted</i>	<i>Unadjusted</i>	<i>Adjusted</i>
January	39.7	39.9	10.31	10.30	7.76	7.75
February	39.4	40.1	10.28	10.29	7.74	7.74
March	39.4	39.9	10.30	10.28	7.74	7.73
April	39.6	39.9	10.44	10.47	7.83	7.85
May	40.2	40.4	10.39	10.41	7.77	7.79
June	40.8	40.5	10.46	10.47	7.80	7.81
July	40.7	40.9	10.49	10.48	7.81	7.80
August	40.9	41.0	10.46	10.48	7.77	7.78
September	41.3	40.8	10.45	10.47	7.73	7.76
October	40.9	40.8	10.47	10.49	7.73	7.76
November	41.3	40.7	10.52	10.50	7.75	7.74
December	41.5	40.9	10.57	10.52	7.78	7.73
<i>1992</i>						
January	40.5	40.7	10.49	10.48	7.71	7.70
February	40.0	40.7	10.55	10.57	7.73	7.73
March	40.7	41.2	10.67	10.65	7.79	7.78

*These series have been adjusted to First Quarter 1991 benchmarks.

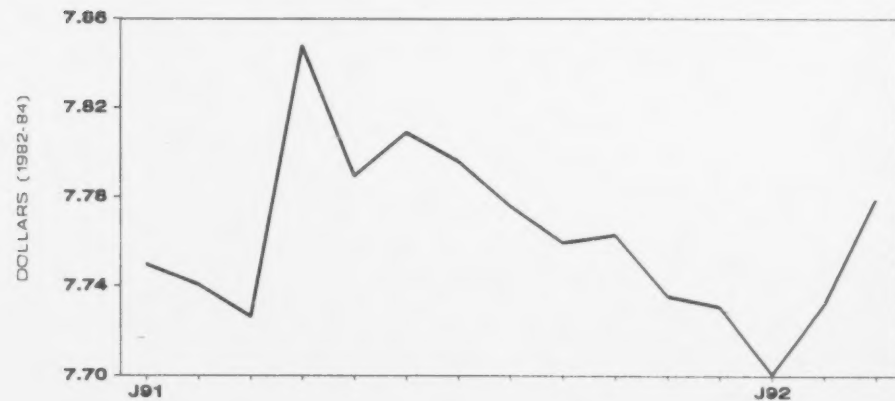
Average Weekly Hours



Average Hourly Earnings



Deflated Average Hourly Earnings



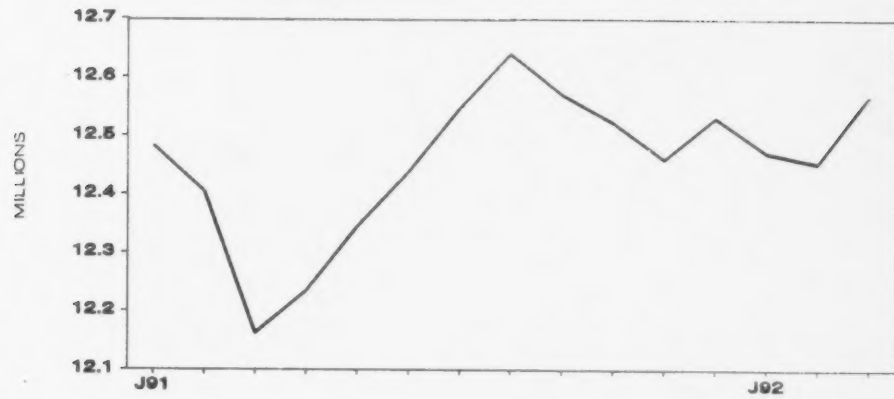
Manufacturing Production Worker Indicators

(continued)

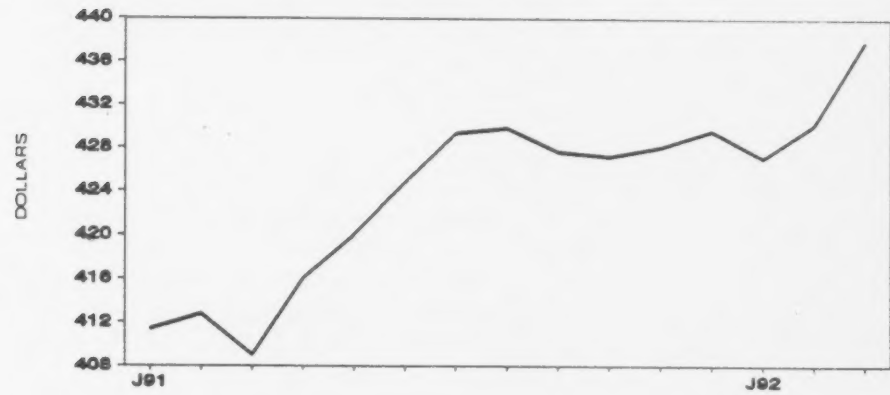
1991	Average Manhours* (Thousands)		Average Weekly Earnings* (Dollars)		Deflated Average Weekly Earnings* (1982-84 Dollars)	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
January	12,342.7	12,483.5	409.31	411.40	308.22	309.63
February	12,107.6	12,404.6	405.03	412.76	304.99	310.27
March	11,942.1	12,161.6	405.82	409.00	305.13	307.24
April	12,066.1	12,234.2	413.42	416.07	310.14	312.16
May	12,240.9	12,345.1	417.68	420.04	312.17	314.47
June	12,562.3	12,439.4	426.77	424.84	318.25	316.94
July	12,462.3	12,548.5	426.94	429.35	317.90	319.16
August	12,666.7	12,640.7	427.81	429.81	317.84	318.93
September	12,811.3	12,571.4	431.59	427.64	319.22	316.80
October	12,683.1	12,523.9	428.22	427.21	316.26	316.33
November	12,699.8	12,461.3	434.48	428.08	319.94	315.57
December	12,757.1	12,531.3	438.66	429.55	322.78	315.64
1992						
January	12,332.3	12,471.9	424.85	427.06	312.39	313.83
February	12,152.0	12,453.8	422.00	430.12	309.38	314.84
March	12,336.2	12,568.9	434.27	437.87	316.99	319.39

*These series have been adjusted to First Quarter 1991 benchmarks.

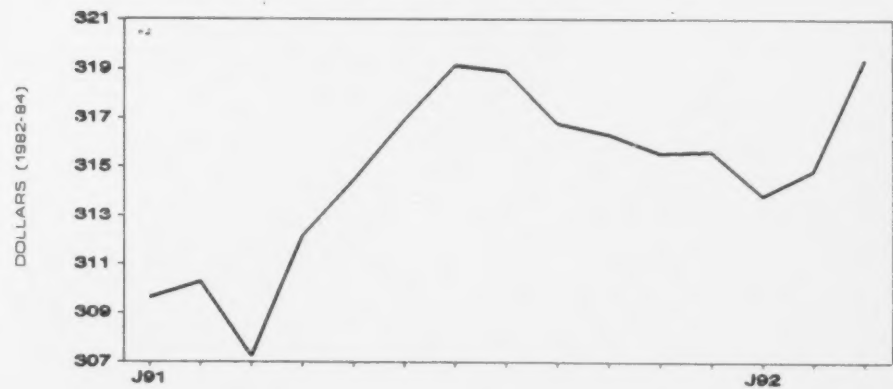
Average Manhours



Average Weekly Earnings



Deflated Average Weekly Earnings

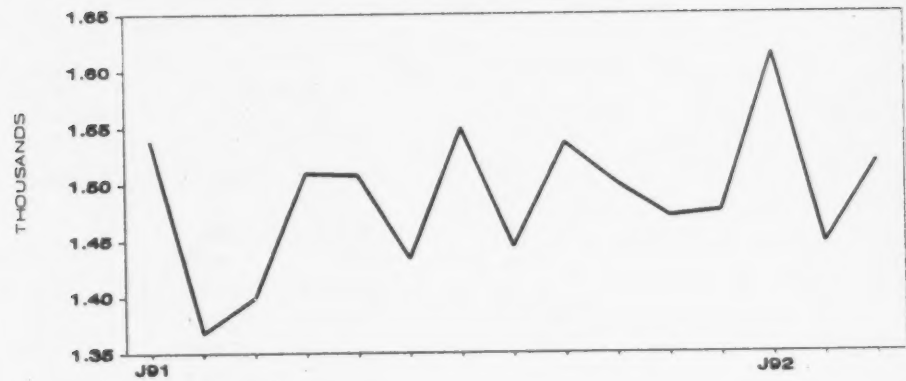


Business Indicators

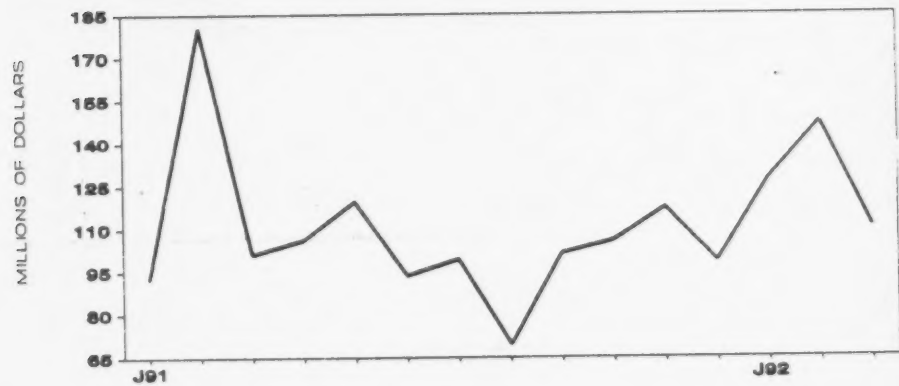
1991	New Business Incorporations		Valuation of Building Permits* (\$ Millions)		New Vehicle Registrations	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
January	1,557	1,538	75.5	92.3	24,994	25,962
February	1,348	1,368	138.6	180.4	21,477	25,349
March	1,573	1,399	89.6	101.1	28,031	27,391
April	1,517	1,510	98.9	106.1	31,348	28,716
May	1,677	1,508	128.0	119.6	33,207	28,977
June	1,430	1,433	114.5	93.6	30,648	27,508
July	1,440	1,550	119.9	99.2	33,256	29,164
August	1,481	1,444	84.1	69.4	30,337	28,659
September	1,392	1,536	108.6	101.3	28,793	27,582
October	1,487	1,501	113.2	105.8	30,470	27,986
November	1,285	1,471	105.0	117.3	22,177	28,263
December	1,530	1,476	83.4	98.5	21,233	30,559
1992						
January	1,643	1,615	105.0	127.4	26,737	27,817
February	1,423	1,447	113.1	147.3	24,307	28,720
March	1,706	1,519	96.7	110.6	28,142	27,529

*April through December 1991 not completely comparable with current data because of revised method of collecting data starting in First Quarter 1992. The building inspectors have provided revised data for First Quarter on the new basis and will revise the other quarters of 1991 later in the year.

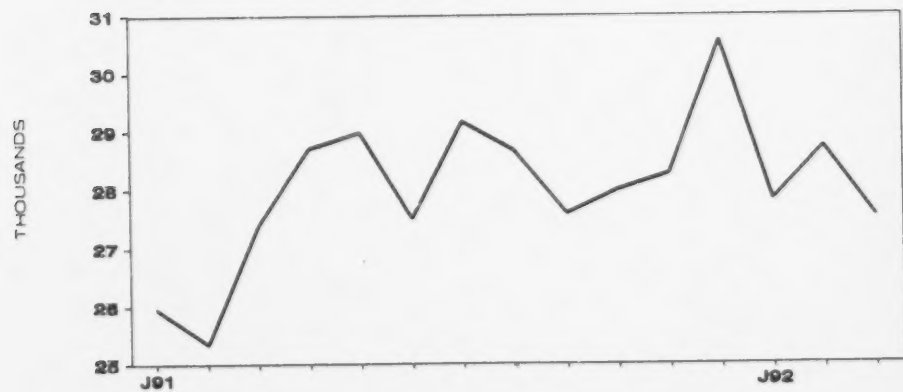
New Business Incorporations



Valuation of Building Permits



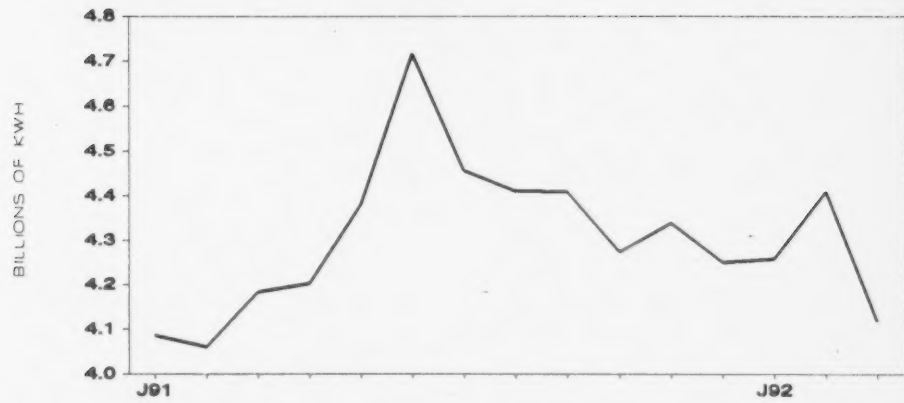
New Vehicle Registrations



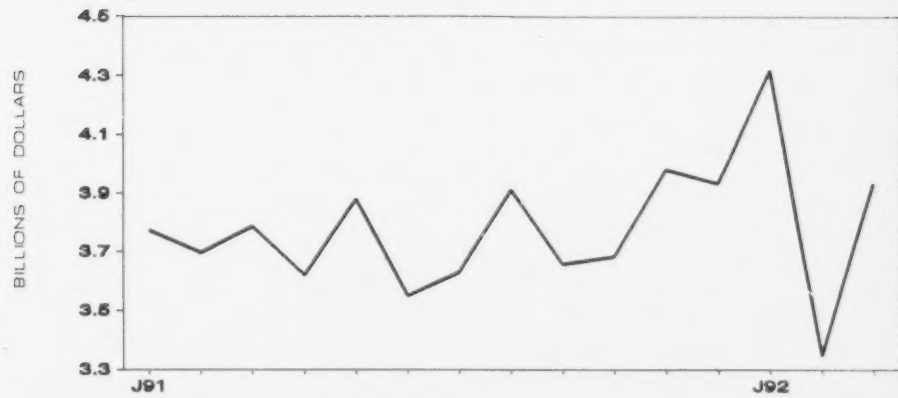
Business Indicators
(continued)

<i>1991</i>	<i>Electrical Power Sales (Millions of KWH)</i>		<i>Taxable Retail Sales (\$ Millions)</i>		<i>Deflated Taxable Retail Sales (Millions of 1982-84 Dollars)</i>	
	<i>Unadjusted</i>	<i>Adjusted</i>	<i>Unadjusted</i>	<i>Adjusted</i>	<i>Unadjusted</i>	<i>Adjusted</i>
January	4,711.5	4,086.5	2,978.1	3,773.5	2,242.5	2,837.0
February	4,361.1	4,060.1	3,722.4	3,698.0	2,803.0	2,778.7
March	4,175.6	4,183.9	3,469.6	3,786.7	2,608.7	2,842.3
April	3,807.4	4,202.4	3,634.8	3,621.2	2,726.8	2,712.8
May	3,712.5	4,380.5	3,910.7	3,880.1	2,922.8	2,902.5
June	4,516.5	4,716.9	3,633.9	3,550.7	2,709.8	2,648.4
July	5,033.3	4,456.5	3,766.2	3,630.2	2,804.3	2,699.5
August	4,890.0	4,410.5	3,914.0	3,912.2	2,907.9	2,903.7
September	4,702.9	4,408.6	3,690.0	3,657.7	2,729.3	2,709.1
October	3,737.2	4,273.8	3,611.8	3,683.0	2,667.5	2,725.1
November	3,798.7	4,338.3	3,830.7	3,979.6	2,820.8	2,934.5
December	4,282.5	4,250.8	4,975.2	3,934.3	3,660.9	2,901.4
<i>1992</i>						
January	4,909.2	4,257.5	3,413.3	4,319.4	2,509.8	3,171.3
February	4,722.8	4,409.8	3,363.8	3,347.0	2,466.1	2,449.0
March	4,103.7	4,117.7	3,606.9	3,932.1	2,632.8	2,865.8

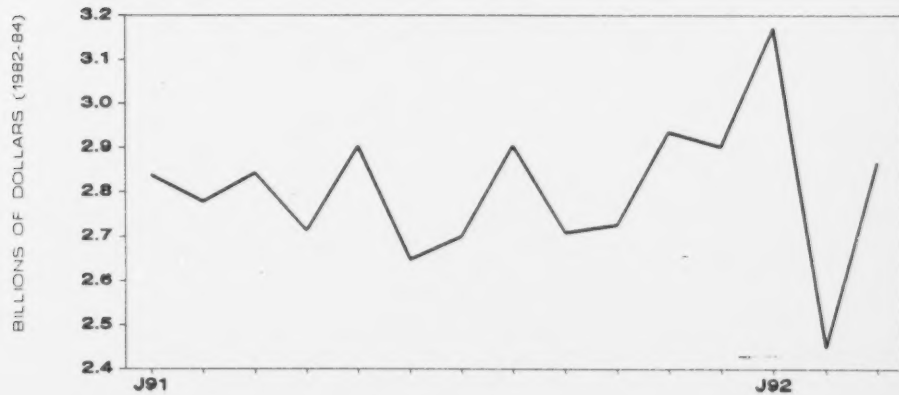
Electrical Power Sales



Taxable Retail Sales



Deflated Taxable Retail Sales



Data Summary

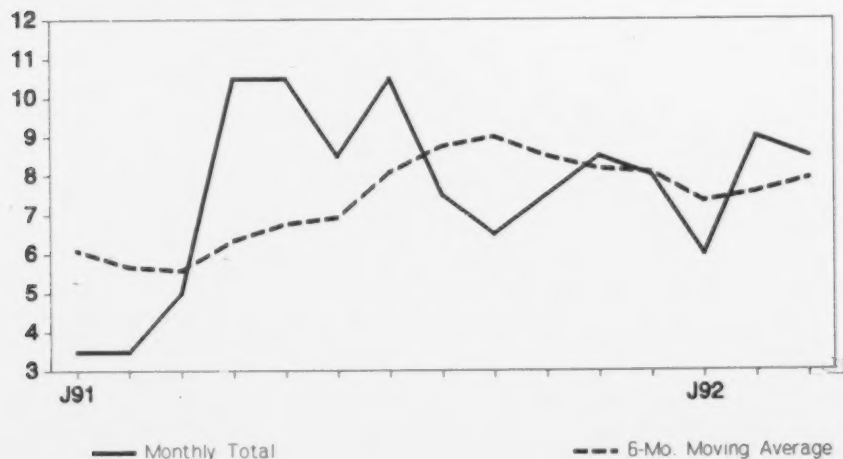
March 1992 Seasonally Adjusted Data	Percent & Direction of Change**				
	Mar '92	Feb '92	Mar '91	Feb '92 to Mar '92	Mar '91 to Mar '92
Employment					
*Nonagricultural Wage and Salary Employment (000)	2,819.3	2,831.0	2,834.5	-0.4 (0)	-0.5 (-)
*Manufacturing Employment (000)	407.0	408.4	409.5	-0.3 (0)	-0.6 (-)
*Total Unemployment Rate	6.5	6.5	6.0	(0)	(-)
Unemployment Insurance					
Average Weekly Initial Claims	7,412	8,425	12,754	-12.0 (+)	-41.9 (+)
Insured Unemployment Rate (%)	1.5	1.5	1.9	(0)	(+)
Final Payments	4,047	3,848	3,312	5.2 (-)	22.2 (-)
Manufacturing Production Workers					
*Average Weekly Hours	41.2	40.7	39.9	1.2 (+)	3.3 (+)
*Average Manhours (000)	12,569	12,454	12,162	0.9 (+)	3.3 (+)
*Average Hourly Earnings (\$)	10.65	10.57	10.28	0.8 (+)	3.6 (+)
*Average Weekly Earnings (\$)	437.87	430.12	409.00	1.8 (+)	7.1 (+)
Business					
New Business Incorporations	1,519	1,447	1,399	5.0 (+)	8.6 (+)
Valuation of Building Permits (\$M)	110.6	147.3	101.1	-24.9 (-)	9.4 (+)
New Vehicle Registrations	27,529	28,720	27,391	-4.1 (-)	0.5 (+)
Electrical Power Sales (M of KWH)	4,118	4,410	4,184	-6.6 (-)	-1.6 (-)
Taxable Retail Sales (\$M)	3,932	3,347	3,787	17.5 (+)	3.8 (+)

*Revised to First Quarter 1991 benchmarks.

** (+) Favorable, (-) Not Favorable, (0) Change less than 0.5%.

Number of Series Moving Favorably

Plus One-Half the Number Unchanged



<i>February 1992</i> <i>Seasonally Adjusted Data</i>	<i>Percent & Direction of Change**</i>				
	<i>Feb '92</i>	<i>Jan '92</i>	<i>Feb '91</i>	<i>Jan '92 to Feb '92</i>	<i>Feb '91 to Feb '92</i>
Employment					
*Nonagricultural Wage and Salary Employment (000)	2,831.0	2,838.0	2,839.6	-0.2 (0)	-0.3 (0)
*Manufacturing Employment (000)	408.4	408.9	414.1	-0.1 (0)	-1.4 (-)
*Total Unemployment Rate	6.5	6.5	5.8	(0)	(-)
Unemployment Insurance					
Average Weekly Initial Claims	8,425	7,637	12,221	10.3 (-)	-31.1 (+)
Insured Unemployment Rate (%)	1.5	1.5	1.7	(0)	(+)
Final Payments	3,848	4,654	3,068	-17.3 (+)	25.4 (-)
Manufacturing Production Workers					
*Average Weekly Hours	40.7	40.7	40.1	0.0 (0)	1.5 (+)
*Average Manhours (000)	12,454	12,472	12,405	-0.1 (0)	0.4 (0)
*Average Hourly Earnings (\$)	10.57	10.48	10.29	0.9 (+)	2.7 (+)
*Average Weekly Earnings (\$)	430.12	427.06	412.76	0.7 (+)	4.2 (+)
Business					
New Business Incorporations	1,447	1,615	1,368	-10.4 (-)	5.8 (+)
Valuation of Building Permits (\$M)	147.3	127.4	180.4	15.6 (+)	-18.3 (-)
New Vehicle Registrations	28,720	27,817	25,349	3.2 (+)	13.3 (+)
Electrical Power Sales (M of KWH)	4,410	4,258	4,060	3.6 (+)	8.6 (+)
Taxable Retail Sales (\$M)	3,347	4,319	3,698	-22.5 (-)	-9.5 (-)

<i>January 1992</i> <i>Seasonally Adjusted Data</i>	<i>Percent & Direction of Change**</i>				
	<i>Jan '92</i>	<i>Dec '91</i>	<i>Jan '91</i>	<i>Dec '91 to Jan '92</i>	<i>Jan '91 to Jan '92</i>
Employment					
*Nonagricultural Wage and Salary Employment (000)	2,838.0	2,831.1	2,854.8	0.2 (0)	-0.6 (-)
*Manufacturing Employment (000)	408.9	409.7	418.0	-0.2 (0)	-2.2 (-)
*Total Unemployment Rate	6.5	5.6	5.4	(-)	(-)
Unemployment Insurance					
Average Weekly Initial Claims	7,637	7,227	12,612	5.7 (-)	-39.4 (+)
Insured Unemployment Rate (%)	1.5	1.2	1.6	(-)	(+)
Final Payments	4,654	4,544	2,769	2.4 (-)	68.1 (-)
Manufacturing Production Workers					
*Average Weekly Hours	40.7	40.9	39.9	-0.5 (0)	2.0 (+)
*Average Manhours (000)	12,472	12,531	12,484	-0.5 (0)	-0.1 (0)
*Average Hourly Earnings (\$)	10.48	10.52	10.30	-0.4 (0)	1.7 (+)
*Average Weekly Earnings (\$)	427.06	429.55	411.40	-0.6 (-)	3.8 (+)
Business					
New Business Incorporations	1,615	1,476	1,538	9.4 (+)	5.0 (+)
Valuation of Building Permits (\$M)	127.4	98.5	92.3	29.3 (+)	38.0 (+)
New Vehicle Registrations	27,817	30,559	25,962	-9.0 (-)	7.1 (+)
Electrical Power Sales (M of KWH)	4,258	4,251	4,087	0.2 (0)	4.2 (+)
Taxable Retail Sales (\$M)	4,319	3,934	3,774	9.8 (+)	14.5 (+)

The Virginia Leading and Coincident Indexes

<i>1991</i>	<i>Leading Index (82-84=100)</i>	<i>Monthly Percent Change</i>	<i>Quarterly Percent Change</i>	<i>Coincident Index (82-84=100)</i>	<i>Monthly Percent Change</i>	<i>Quarterly Percent Change</i>
January	106.90	-2.4		116.93	-1.2	
February	106.95	+0.0	-3.6	115.35	-1.4	-3.3
March	105.43	-1.4		114.28	-0.9	
April	103.86	-1.5		113.63	-0.6	
May	104.39	+0.5	-2.2	113.38	-0.2	-1.8
June	104.11	-0.3		113.36	-0.0	
July	105.27	+1.1		112.95	-0.4	
August	103.14	-2.0	+0.1	113.17	+0.2	-0.1
September	104.28	+1.1		113.79	+0.5	
October	104.09	-0.2		114.75	+0.8	
November	103.75	-0.3	-0.2	114.71	-0.0	+1.2
December	104.28	+0.5		114.43	-0.2	
<i>1992</i>						
January	105.49	+1.2		113.66	-0.7	
February	107.84	+2.2	+3.0	112.75	-0.8	-1.6
March	108.26	+0.4		111.81	-0.8	

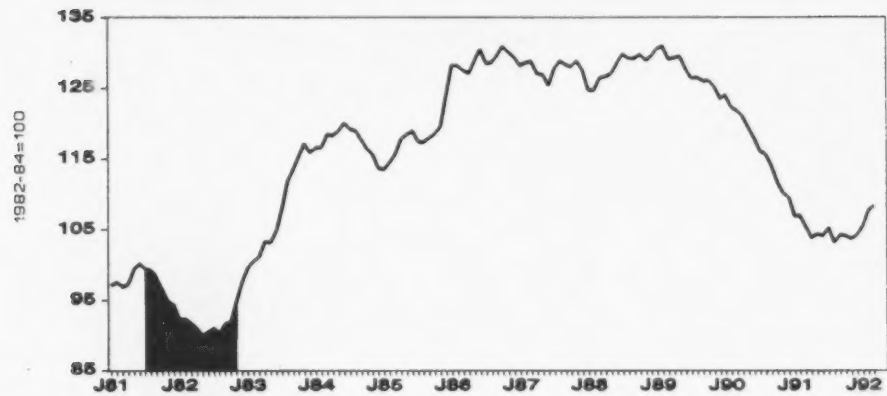
The Virginia Leading Index is adjusted to a 1982-84 base and includes Average Weekly Hours for Production Workers; New Businesses; Valuation of Building Permits, deflated to 1982-84 dollars; and Average Weekly Initial Claims. The Virginia Coincident Index includes Nonagricultural Wage and Salary Employment; Total Unemployment Rate; Taxable Retail Sales, deflated to 1982-84 dollars; and Average Hourly Earnings of Manufacturing Production Workers, deflated to

1982-84 dollars. The Coincident Index also uses a 1982-84 base. All series are adjusted for seasonality and month of cyclical dominance.

The Leading Index, influenced by the longer workweek and one-month upticks in business incorporations and building permits, turned positive in First Quarter 1992. The Coincident Index was still negative because of weak employment and unemployment data.

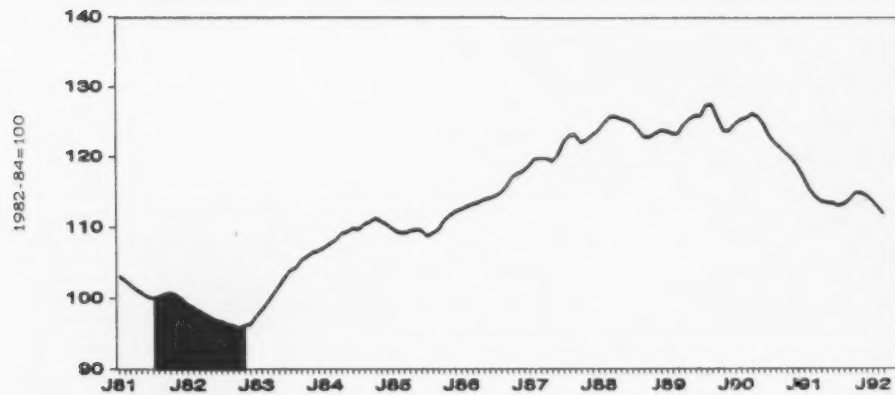
Virginia Index of Leading Indicators

Trend Adjusted



Virginia Index of Coincident Indicators

Trend Adjusted



Tracking Virginia Population Trends

By Don Lillywhite, Economist

Virginia's population is growing older. The median age of the population now stands at 32.6 years, up from 29.8 years in 1980.

Based on data released so far from the 1990 Census, a number of important demographic trends can be documented for Virginia. These include:

- High population growth
- Increasing net in-migration levels
- Growth of racial and ethnic groups
- Aging of the population
- Declining household size
- Concentration of population in metro areas

The first of these trends deals with the rate at which the population changes from one decade to the next. During the decades of the 1960s, 1970s, and 1980s, Virginia's population grew by 685,000 persons (17.3 percent), 695,000 persons (14.9 percent), and 841,000 persons (15.7 percent), respectively.

As of 1990, Virginia is the twelfth most populated state in the nation and the fifth most populated in the South. Virginia's population gain of 841,000 persons during the 1980s was the sixth largest gain in the nation.

The second major trend is one of increased net in-migration. Migration into Virginia increased by 85,000 persons or 24 percent during the decade of the 1980s over the 1970s. Migration during the two decades was 433,000 and 348,000, respectively.

Net in-migration increased from 22 percent of the state's growth during the

1960s to 52 percent during the 1980s. During the 1970s, migration accounted for 50 percent of Virginia's growth.

Some segments of Virginia's population are growing faster than the population as a whole. The Asian and Pacific Islander populations and Hispanics were the fastest growing segments of the population during the decade.

The Asian and Pacific Island population grew by 140 percent between 1980 and 1990 to become almost 3 percent of Virginia's population. The Hispanic origin population grew by 101 percent and now makes up just under 3 percent of our population.

Blacks, who now make up 19 percent of Virginia's population, grew by 15 percent. The American Indian, Eskimo, and Aleut populations grew by 62 percent. This segment of the population stands at about 15,000 persons and represents 0.3 percent of the state's total population. By comparison, the white population increased by 13 percent from 1980 to 1990. Again, total state population grew by 15.7 percent during the period.

Virginia's population is growing older. The median age of the population now stands at 32.6 years, up from 29.8 years in 1980. This is largely due to the fact that the biggest segment of the population, the "Baby Boom" generation, is entering middle age. Also, people are living longer.

The elderly population, that is, persons 65 years old and older, is the fastest growing segment. This group has been growing at

about 2.8 percent per year, compared to the 1.5 percent growth rate of the population as a whole. The elderly accounted for 10.7 percent of the state's total population in 1990 and 9.5 percent in 1980.

The 85-and-over population has also grown much faster than the state as a whole—about 3.8 percent per year from 1980 to 1990. This group is rather small, comprising 1.0 percent of the state's total population.

Household size has continued its long-term decline. (The Census Bureau defines a household as all the persons who occupy a housing unit.) Average household size in Virginia was 2.61 in 1990, compared to 2.77 in 1980; 3.20 in 1970; and 3.35 in 1960. This decrease in household size may be leveling off somewhat, because the decline during the 1980s was far less severe than it was during the 1970s.

Virginia's population is increasingly concentrating in metropolitan areas.

Northern Virginia is the fastest growing region, accounting for one-fourth of the state's population in 1990 and 45 percent of the total growth during the 1980s.

The Norfolk-Virginia Beach-Newport News Metropolitan Statistical Area (MSA) is the second fastest growing area, accounting for 23 percent of the state's population in 1990 and 28 percent of its growth between 1980 and 1990.

MSAs increased their share of the state's population from 70 percent to almost 73 percent between 1980 and 1990. Further, the three largest MSAs account for over 61 percent of the state's population and 86 percent of the 1980 to 1990 growth.

Historical Summary

Performance of Indicators Over the Business Cycle

General Information

For those interested in studying the business cycle in Virginia, this publication includes several of the economic time series for which data is readily available on a monthly basis. From time to time, new series will be added and, if necessary, others presently included will be discontinued.

Business Cycle Turning Points

The shaded spaces on the charts represent the 1980 and 1981-82 recessions as designated by the National Bureau of Economic Research (NBER). The beginning of a recession is defined as the month when aggregate economic activity in the U.S. reaches a cyclical high, from which it begins to turn down, and the end as the month when it reaches a cyclical low, from which it begins to turn up. According to NBER, the 1980 recession began in January 1980 and ended in July

1980, and the 1981-82 recession began in July 1981 and ended in November 1982. The NBER has not yet officially designated the current recessionary period.

Seasonal Adjustment

To correlate changes in a time series and changes in the business cycle, it is desirable to eliminate, insofar as possible, the effect of irrelevant factors from the data comprising the series. All series currently published in the *Indicators* have been adjusted to minimize regular seasonal fluctuations in the data in order to show only activity related to the business cycle.

Historical Data

Historical data for the current series is published in the back of the fourth quarter issue for each year.

Data Sources

Nonagricultural Wage and Salary Employment	VEC	New Business Incorporations	Virginia State Corp. Commission
Manufacturing Employment	VEC	Valuation of Building Permits-18 Cities	Local Building Inspectors
Total Unemployment Rate	VEC	New Vehicle Registrations	Virginia State Dept. of Motor Vehicles
Average Weekly Initial Claims	VEC	Electrical Power Sales	Virginia Power, Appalachian Power Co., Delmarva Electric Co., Tennessee Power Co.
Insured Unemployment Rate	VEC	Taxable Retail Sales	Virginia State Dept. of Taxation
Unemployment Insurance Final Payments	VEC	Taxable Retail Sales/CPI	Virginia State Dept. of Taxation
Average Manhours	VEC		
Average Hourly Earnings	VEC		
Average Weekly Earnings/CPI	VEC		
Average Workweek	VEC		
Average Weekly Earnings	VEC		
Average Weekly Earnings/CPI	VEC		

Virginia Employment Commission
Economic Information Services Division
Post Office Box 1358
Richmond, Virginia 23211-1358

Address Correction Requested

